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THE
CO-OPERATIVE MANAGERS'
TEXT BOOK.

THE
Co-operative Managers
Text Book.

(REVISED EDITION.)



EDITED BY R. J. WILSON.



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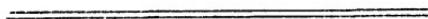
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EDITOR'S NOTE.

THIS text book is an earnest endeavour on the part of its collaborators and the Educational Committee of the Co-operative Union to promote the efficiency of management within the movement. By this observation no reflection is cast upon co-operative managers, as it is generally recognised that the steady growth of co-operation is largely due to their untiring energy, enthusiasm, and faithful service.

It will be admitted, however, that there is need for well-directed and concentrated effort. One is bewildered, sometimes, in contemplating the diverse methods pursued by societies in the conduct of their respective businesses; and in thus focussing what may be considered the most important elements conducive to successful management, it is hoped that business will be facilitated, our organisation perfected, and uniformity of practice accelerated.

As will be seen from the variety of styles permeating the sections, many minds have been at work in the production of the book. Specialists in each distinctive feature have been requisitioned, who have spared no effort to make their contributions as complete and as accurate as possible. That some points may appear fragmental and inadequately dealt with, and others entirely omitted, will readily be conceded, but these are such as the teacher of a class will be able to supply from his own experience. If there has been any difficulty at all, it has been in discriminating between the essential and the non-essential, so that the text book might be kept within reasonable limits.

Being the only work of its kind published by the Co-operative Union—and perhaps the only one extant dealing with so many trades—the information conveyed is largely drawn from the experience of the writers; some allowance, therefore, must be made for personal predilections. On the whole, however, the book cannot be otherwise than helpful to managers, youthful aspirants, and committees in their work.

Besides the contributors mentioned, we are greatly indebted to Mr. Albert Gilbert (Kidderminster) and Mr. A. Rigg (Farnworth) for facts relating to certain check systems; to Mr. Odgers and Mr. Horrocks, of the Co-operative Insurance Society Limited, for particulars of insurance and fire risks; to Mr. T. Brodrick for paper on "Depreciation;" and to Mr. J. Holden for paper on "Banking"; to Mr. Edwin Hart, J.P., for information on fish supplies; to the Lamson Pneumatic Tube Company Limited and the Lamson Store Service Company Limited for information respecting cash carriers, as well as for the loan of blocks illustrated in the Appendix; to the Dairy Supply Company Limited for blocks of cream separators and sterilisers, &c.; to W. Summerscales and Sons for laundry particulars and plans; and to the many officials who have willingly answered questions on important matters coming within their societies' experience.

Students will do well to carefully note the alterations which have been made in the text of this, the third edition of the Text Book, and to refer to the additions in the Appendices and Legal Section, where the matters dealt with have been brought up-to-date.

R. J. WILSON.

Sunderland.

October, 1913.

INTRODUCTION.

THE need for such a Text Book as this, which has been compiled by request of the Education Committee of the Co-operative Union, is undoubted.

Store-management by committee, so successful in the days of small things, is rapidly disappearing. Then, the members of an executive came into direct contact with the practical part of the business of their society; but now, handicapped in some instances by the methods under which they are elected, and in many others by the increasing intricacy of new business developments, committee-men feel that they must rest more and yet more on the manager, whose technical and special skill they expect to find adequate. In the face of this growing exclusion of the lay element it becomes incumbent on all who seek for the best in co-operation to ensure the existence of the qualities necessary, and to provide for their acquisition by the younger men and women who aspire some day to the management. The Co-operative Union, first through its Office Committee and later through the Education Committee, have made most praiseworthy and successful efforts to supply a scheme of instruction, and now a Text Book to further explain the scheme. The issue of certificates and diplomas will naturally follow.

A co-operative manager frequently finds his earliest difficulties in or near the committee room. He enters upon his new duties with all the enthusiasm of the beginner, but before he has shaken himself down into his new position he discovers that he is not quite free to act as he deems fitting.

There are others whose opinions must be considered, and whose experience will often make that opinion valuable. Youth and inexperience fret at restriction, see opposition and hindrance where none are meant, and unconsciously create a good deal of the trouble that is so hard to bear. Therefore, it was wise, I think, to begin the new Text Book with a section that should deal broadly with the relationship that should exist between manager and committee on the one hand and manager and employés on the other. This has been placed in capable hands, is dealt with in a masterly manner, and, although to some critics the position of manager may appear unduly prominent, the whole section is so logically drawn up that committees as well as managers can read with advantage.

The days are gone when "The Store" could be profitably housed in a shed, the demand to-day is for "premises," a term which may mean anything from a moderate shop to a palace of draped delight. It is well, then, that guidance should have been offered in the Text Book, not only on the essential but towards the æsthetic. In so far as the second section deals with structure and fixtures, it will again be found to be of great value to committees as well as to managers. Windows, counters, cash appliances, fire requisites, all come under review, and are dealt with by plan and illustration to a very high degree of success indeed. Even the much-vexed question of the butchering and fleshing department is given a careful and correct organisation. It is impossible to follow such a section through all its ramifications, but one must note the very valuable assistance given towards the understanding of "Leakage," and also the clear and concise statement of a sensible view of "Credit." Stocktaking, as a rock on which the ship may be wrecked, protrudes its unwelcome head into many of our happiest hours. At congresses we are reminded of it as the most

dangerous of all the hidden dangers. At conferences we have our delegates struggling with the difficulty of an adequate criticism of it. All round we hear of stocktaking and its possibilities of misfortune. Comforting it is, then, to find in the new Text Book that there is no uncertain note in the instruction given on this most vital subject. Similarly, to depart from the order of the book somewhat, we have pleasure in recognising, not only a master hand, but an exceedingly careful and cautious one, in the criticism of the necessary or unnecessary productive adjunc's. Enthusiasm must not be allowed to banish caution.

Depreciation and Banking are so seldom, in England, matters of interest to managers, that our people may perhaps miss the value of the sections dealing with these. And yet nothing can be of much more importance to the co-operator. The section points out with some degree of clearness not only the value but the extent of depreciation, and, when read in the light of what one knows and fears in connection with customs that obtain, claims the earnest attention of every one of us.

Nothing disturbs, excites, or pleases the average member of a store more than the purity or impurity of his source of supply. Despite the sneers of the cynic, who can see nothing in the co-operative movement but a new form of self-seeking, it is evident at any of our gatherings that the membership will not permit for one day any doubt to remain on the question of the market. The source of supply must be unimpeachable. The writer of the section dealing with this matter is aware of the importance of it, and treats his subject with candour. Moreover, a mass of very valuable and detailed information as to markets, harvests, &c., has been put into appendices, and everything seems to have been done to give the information, a knowledge of which will beget increasing confidence. Quite a new feature in any text book,

or other work dealing with any particular trade, is the chapter on simple tests. On reading this, one wonders that the methods of detecting fraud therein described have not been placed at our disposal before. Easy of manipulation and correct as to result, they are invaluable.

"Legal matters" have been expensive in the history of Co-operation. What little knowledge we have is associated not only with costs and charges, but with heartburnings and disappointments. Wrongs have been done and borne in the past which would have been obviated if any such digest of statutes appertaining to industrial and provident societies, such as appear in this new Text Book, had been within reach. This section needed a specialist as writer, and in the person of the legal adviser to the Co-operative Union has found just the right man in the right place. In fact, it seems to me that if this section were issued in the form of a pamphlet and placed on the bookstalls it would have a ready sale, even among "our friends the enemy." Exhaustive and inclusive, this portion is perhaps the most valuable of the book.

As a text book this one can hardly be compared with any other. It has the redeeming quality of being neither too long nor in any way incomprehensible, but it is handicapped in that it does not deal with one subject and its development. Any book which partakes of the nature of a compendium suffers as such. Despite this drawback, the "Co-operative Managers' Text Book" will prove to be a great success. The work of the editor, in whom one recognises a young man who made his mark at the Perth Congress, has been most creditably carried out. It is at all times difficult to interweave the opinions of a group of thinkers without leaving the styles in contrast. This, Mr. Wilson has skilfully managed. The book reads well as a whole, is well bound and most carefully printed, and will reflect great and lasting credit on all connected therewith.

The intention of the Education Committee of the Co-operative Union is obvious. They desire to assist committees in the selection of managers by providing a test, the result of which will be a recommendation of worth. This, I think they have succeeded in doing, and the future will prove the value of their work.

W. K. RAE.

SECTION 1.

**The Relationships that ought to exist
between a Manager and the Com-
mittee, and between a Manager and
the Employees.**

CHAPTER I.

The Relationships that ought to exist between a Manager and the Committee, and between a Manager and the Employees.

IN determining the relationship which ought to exist between a manager and his committee, it is necessary to define what are the duties and obligations which any committee, on election, is expected to discharge, and for what committee-men individually are expected to be responsible to the members.

Duties and Responsibilities of Directors. The rules of most societies deal broadly with the duties of directors, but much can be read into these rules by persons seeking a wider latitude for the exercise of their energies; therefore, it is desirable that the duties of committee-men should be clearly defined and understood by all parties before the machinery of administration and of management can be got to work smoothly.

A committee is a body of trustees representing the members, and taking care of their interests. Except in a few cases, where the rules of the society make provision for an employé to sit on the board, the individual committee-man is not a paid servant, and usually has his own private work to engage his attention apart from his duties as such. The rules, except as mentioned above, prohibit him from being at the same time a director and a servant, consequently he cannot legitimately do any actual work for the society for which remuneration may be given; that is, his duty and that of his co-directors is to provide suitable and sufficient labour to carry on the

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work. He may direct how the work in a general way may be performed, but he may not do any part of it himself. He is a unit on an administrative board ; a director, not a worker.

Individually and collectively, the directors are responsible to the members for the following among other things, viz. :—

- (1) To engage a staff to undertake the work of the society, with suitable heads of departments, or a manager over all, and to determine the duties and emoluments of each.
- (2) To provide suitable accommodation, machinery, and plant to conduct the society's business.
- (3) To ensure that the business is conducted in accordance with the rules, and that equal justice is given to members and to employés.
- (4) To control all investments, whether in shares and loans in other societies, or in land, property, and fixtures.
- (5) To secure economical working of the society's business, to safeguard the society against fraud by providing, if possible, a complete check against errors, carelessness, or loose handling of cash by every person responsible for the same, and to obtain sufficient security from these officers.
- (6) To provide the best conditions of labour in the society's service ; to demand and secure equivalent results in superior service, faithfulness, and diligence.
- (7) To control the sources of supply of the society's goods, and to maintain a direct and vital connection with other co-operative organisations.
- (8) To foster a spirit of enthusiasm for co-operative effort, both in the staff and the members of the society, and to identify themselves with every good feature of co-operative endeavour.

From the foregoing it will be seen that a director, at his election, takes on himself very serious responsibilities, and if

he be conscientious he has duties enough to occupy a good deal of his spare time.

These duties require to be better known among committee-men generally, because many are a law unto themselves, and consider that, once appointed to a board, they have little responsibility to the members and none to the employés; at least that is the inference which any onlooker might be tempted to draw from their conduct in the discharge of their duties as directors. Not infrequently one may hear a director remark as to the great responsibility which the directors have in conducting a large business; that is true, but an appreciation of the position can best be shown by the faithfulness with which these duties are discharged, and only in such proportion. To be over-cautious and self-assertive is bad, but to allow the society to drift into an unsound condition is much worse. Cases have occurred from time to time where directors were guilty of neglect and became individually responsible for a financial crisis. If directors have through negligence on their part allowed false statements in a prospectus to be issued, by which the public has been deceived, the directors are responsible in damages; and if the negligence is of so gross a nature as to amount to fraud, they are liable, on conviction, to imprisonment. Committee-men should therefore be careful not to permit false balance sheets to be published, or they may find that they are equally liable for the consequences. Generally speaking, however, directors and committee-men have much more a moral than a financial responsibility, and, to their credit be it said, most of them have a true appreciation of this position, and are faithful, as far as in them lies, in discharging the obligations put upon them.

From what has just been said, it is proper that members should select men as directors not less for their moral rectitude than for their intelligence and administrative ability.

This section naturally divides itself into several heads,

Duties and Responsibilities of Managers. upon none of which can any strict regulations be made. The extent of a society's business, and sometimes local circumstances, are factors to be considered in determining the most efficient and economical mode of management.

- (1) *General manager*—buying, controlling, and superintending the whole of the trade of a society.
- (2) *Departmental managers*—who may each in his own department have control of several shops.
- (3) *Branch managers*—of whom there are two kinds—
(a) those independent, being general managers on a smaller scale; and (b) those who manage, control, &c., but have their buying done for them; and
- (4) The combined manager and secretary.*

In Scotland the principle of general management is almost universal, but in England the tendency is to depart from it, especially in the larger societies. There is a great diversity of opinion upon this subject. In a general way, the system adopted is the result of local experience, and is a matter that rests entirely with the committee and members.

(A) The general manager.—Whoever is appointed to this position should have a better general knowledge than anyone under him. If the society is large, he should possess a great deal of knowledge concerning each department, and be quite competent to suggest improvements from time to time, in shop, warehouse, or factory. In proportion as a manager's general knowledge is deficient, by so much must his authority be weakened. It is well known that onlookers in a game often see points which the players themselves fail to notice; so also the manager, while not able to enter into the process of manufacture in any department, may easily be able to give valuable hints as to improvements in such process of manufacture. Departmental managers must, of course,

* Mr. W. R. Rae's Paper on "The Special Training of Managers."

be in sympathetic touch with the general manager, and between the administrative head and the practical man fairly good results should generally be secured.

The strongest qualification which any manager—to whom has been entrusted full control of shops, office, &c., &c.—should have is knowledge of finance, after that comes administrative ability. There is a single phrase which might almost be said to sum up the whole duty of a manager, and that is “to finance the society.” While actually on duty the whole business should be his; that is, he should have the full control and should put his heart into it as if the shops, warehouses, or factories were his own property.

(B) Branch managers have in each branch shop all the control, all the responsibility which rest on the shoulders of a general manager. They buy everything required for their own particular group of shops, and are responsible to the committee for the same. There does not seem to be much gained under this arrangement. Whatever the disability of a general manager may be, the same will attach itself to his more circumscribed brother, the branch manager.

(C) Departmental managers, on the other hand, are experts who have been called in when the trade of any one department is sufficiently good to warrant such a course, and are placed in direct control of the department in which their special knowledge will be of most value.* It is claimed for this course that the results are most satisfactory in that the buying is more skilled, the choice of goods based on more intimate knowledge, and the internal control more on the lines that obtain in departments of the same kind elsewhere. It is also claimed that a departmental manager, directly responsible to his committee, is stimulated to greater zeal

* These, at places where this method of government is in operation, are independent of each other and subject only to the control of the committee, which in many instances acts through a departmental sub-committee.

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and enthusiasm in the management of his shop or shops than he who is simply a shopman acting under the direction of a general manager.

In a large society there will be of necessity departmental managers of greater or less independence. In either case, the necessity for specialised knowledge remains, and the relationship which will obtain between the manager and his employés will be in both determined by very similar general principles.

Here it will be as well to interpolate a paragraph on the "secretary" question. In most of our societies the amount of trade done and the limited scope of the same

The Secretary's Position. does not call for the existence of a secretary the whole of whose time is devoted to the

service of the committee; but in many of the larger societies it has been found expedient and thoroughly successful to engage such a servant, whose duty shall not only be to keep the minutes of the committee, but who shall also act as its mouthpiece, deal with the general correspondence, be at the call of inquiring members, &c., &c. And it has frequently happened that the secretary thus appointed is invested with such power by virtue of the method of his election—by the members in general meeting assembled—and that he acts in some degree as a restraint on the committee. It also can be found that he has been entrusted with the control of the office and the office staff. Whenever this is so, there should be a clear understanding of the duties of such a secretary. Acting as the mouthpiece of the committee, he should be respected as such, but should not be permitted to usurp the functions of the committee. If the office is under his control, no difficulty should be placed in the way of "trade," and no hindrance to its development should arise through inadequate or incapable clerking. In large societies there would seem to be room for secretary *and* manager or managers—what seems to be necessary is that each should know his place and keep it.

The Relationship which should exist between a General Manager and the Committee. This relationship will be best defined by suggesting the terms of an agreement which could be entered into between the directors and the manager. Appended is a list of the duties of a manager. The principal duties here enumerated should form part of all agreements, details of which could be altered to suit special circumstances.

(1) The manager shall be responsible to the board of management for the working of the society, and the said board may assign duties to him not here specified from time to time as may be found necessary.

(2) The heads of all subordinate departments must recognise whoever is appointed to this office as manager over the whole business.

(3) He shall have power to engage and dismiss all servants under his control, but he shall report all contemplated changes to the board of directors, who reserve to themselves the power to veto or amend any proposed change.

(4) The manager shall be a medium of communication between the board of directors and the servants of the society in matters affecting their conditions of employment. Complaints will only be received from employés or from members of the society at such times and under such conditions as may be determined. Any such appeal to the board must be made in writing, and addressed to the secretary of the board.

(5) The manager shall purchase or cause to be purchased all goods, and shall cause the same to be invoiced to the shops at retail prices.

(6) All purchases, so far as is possible, must be made from co-operative sources of supply. When, however, he sees that it is to the advantage of the society to make purchases from other sources he must report the same to the managing board.

(7) The manager shall visit all the departments and branches as often as possible, and shall consult with the respective sub-committees in matters concerning their stocks and their efficiency.

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(8) He shall fix the retail prices of all goods, and shall see that they are sold at the same rate and quality in all the shops.

(9) He shall devote time and attention to minimising losses and depreciation of goods, and no reductions shall be made in prices without his sanction.

From the foregoing it will be seen that the same idea is maintained as was suggested in the first section, viz.:—That directors should be trustees or administrators, and that they should hold the servants responsible for the efficiency of the work performed. At the sub-committee meetings the manager, if possible, should submit a type-written report to each member of the sub-committee,* in which should be detailed the progress of business since the last report, his action in all principal matters coming under his observation in each department, his suggestions for improving the service, either by a rearrangement of the staff, or by procuring better accommodation. Whatever action he may take, also, in any department in regard to stock, augmented or diminished in quantity, should be stated, and the reason therefor. He should also report to the sub-committee what quantities of goods were bought for any particular department, giving the reasons for any larger purchases than usual. The committee, if they are wise, will not directly interfere with either buying or selling. If they do, it is tantamount to an admission that they have a manager whose grasp of affairs is weak, and who cannot be trusted to act with discretion. When suggestions come from the head of a department, the manager should mention the source of the same, so that, while the directors do not come immediately into contact with the author of the suggestions, they may be cognisant of the man's capabilities and work.

In the list of duties of a manager no mention is made as to who shall decide on the emoluments of the various employés.

* For example of such a report see Appendix I, Section I.

In most societies certain scales of wages exist, and the manager has simply to follow these out until a certain point is reached, and then the sanction of the committee has to be obtained for any further increase. It might be a desirable arrangement that the manager should be able to settle the wages of all employés who are not heads of departments. He would report his intentions to each sub-committee regarding the staffs in the several departments when any changes are proposed in the scale of wages. He should act in conformity with the express desire of the sub-committee if they clearly dissent from his opinion on the matter. As noted on item 4, in the duties here referred to, the manager should be the medium of communication between the board of directors and the servants, except as there referred to. Once a year, or at such times as may be agreed on, the manager should make out a list of all servants whose wages or salaries the board take into account. He should make recommendations on these, and the board should finally decide. There should be no appeal on questions of salary except at the stated period in each year.

In cases where, instead of general managers, the business of the society has been entrusted either to branch managers or to departmental managers, the general relationships that should obtain between managers and committees are on similar lines, and the duties of the general manager may be taken as a general guide to the others—each in his own department.

Items 2, 3, and 4, in the suggested agreement between the manager and the committee, define in a general way the relative positions of the manager and the employé. The first essential required in handling a staff is discipline, that is, implicit obedience by the individual members of the staff, firstly, to their respective foremen, and, secondly, to their manager. Human nature is such that

The
Relationship
which should
exist between
a Manager of
a Society and
the Employes.

obedience in most cases is the outcome of a wholesome dread of the consequences of disobedience, and is very seldom the result of a conviction in the mind of the individual that obedience is the better policy either for the individual or for the welfare of the business. Employés in every work, as a rule, respect most the men in whom authority is vested. If a manager commands respect because of personal worth and outstanding ability, it will make the seeming yoke a comparatively light one. Employés will feel that here is a man not only invested with authority, but a man who never sets a needless task, who asks a thing to be done only because he knows it can be done, and who would not ask anything to be done unless it was necessary.

The same *esprit de corps* will prevail as in a well-disciplined army, every unit of which knows that its commander is capable, prudent, and humane ; each will do his best even if he does not see the reason for every evolution, confident that the superior knowledge of his chief will bring about a complete triumph of arms. A well-organised business works as smoothly as a piece of machinery which has been skilfully put together and carefully tended, every part working into its counterpart. How much the manager of a business is responsible for its harmonious and successful working is scarcely known to any employé, and sometimes the results are even a surprise to the manager himself. But the mental and moral effects on the individual worker are assuredly very great, and although he may not be conscious of it at the time, in succeeding years, possibly in another sphere, he will realise the great benefit of the good example and the kindly discipline.

Stringent rules are a prop to weak authority. Of written rules there should be few, or none, except, say, for the handling of cash, which requires a rigid system of check and counter-check.

If initiative is required in anyone, it is in the manager, himself, and, if he has no initiative, he is no manager at all.

No man without this quality should be at the head of any department, else how can he suggest any improvements when no ideas ever flit across his mental horizon ? Next to want of character there is no more fatal defect than want of initiative. In most men this inventive faculty can be developed, and they may turn out to be of great service in some sphere of life ; it is assuredly the duty of every manager to cultivate this quality and to give free play to the ingenuity of every employé working under him.

Besides these purely commercial qualities in a general manager, he should be so sympathetically disposed towards the theory and practice of co-operation as to impress his staff with the importance of understanding the primal features of co-operative service, such as loyalty to a society's trading departments, and the necessity of taking advantage of educational facilities for the better understanding of one's business tend very materially to promote efficiency within the movement.

A question crops up naturally at this point, *i.e.*, should employés be advanced according to their ability or according to seniority in the service ? The answer to this question should probably be in the following words :—Every apprentice, if his service and conduct are commendable, should be allowed to complete his time, and should ultimately have a wage sufficient to enable him to marry, to keep a house, and to bring up a family in respectability and in moderate comfort. Every man in the service must be paid the wage of a man. If he is not worth the full wages paid to others in a like position, then his services should not be retained. After minimum conditions have been secured to all, promotion should come through merit.

It is a sore point with many employés that some societies expect, and actually receive, more value for the wages paid than do private employers. That is, committees do not reward merit according to market value. There is no doubt

that this takes place in many cases, but, on the average, the committees only get value for the money they offer, and occasionally they get less. As a rule, where employés are well paid, on inquiry it will be found that the society's affairs are guided by a board composed of intelligent men, and more than likely it will be found that the society is a prosperous one. It is a good asset for a society to have a staff of capable employés, and these, as a rule, are such as are well paid for their services. Therefore, it is a good investment for a society to pay its employés well. Nothing, however, is more injurious to an individual, or more fatal to efficient work, than a spirit of discontent; therefore, whatever the immediate reward, a spirit of cheerful optimism about personal affairs and about social advancement should always be cultivated.

In recommending advances in wages or salaries for the consideration of the committee, some regard must be had to the value of the services rendered, and what such services would command in the open market. Whatever the rate of wages paid to the employés in any department, granting that the minimum conditions have been settled, such terms should be sufficiently liberal as to attract the best men to the society's service. Wages are the first charge on any business, and members are not entitled to participate in the profits until labour has been reasonably, if not generously, rewarded. If only as an investment, it is the better policy to secure the best workmen; efficiency produces true economy.

Private employment asks only for commercial ability, integrity, and personal character. An employer takes no cognisance of the opinions of his employés on **The Employee and the Movement.** most social subjects. If any employé on his staff should have pronounced views on and take a part in developing co-operative propaganda, probably the employer would take occasion to remonstrate at least. In the private trade, opinions as a rule,

unless on orthodox lines, are better not expressed. What is wanted is work, painstaking and conscientious, and with only one motive—the concentration of every effort towards making a success of the business on hand. Diligence, perseverance, promptitude, unflagging zeal, combined with moral rectitude, are first-class assets in any and every walk of life.

In many places it would be well if co-operative servants would display the same zeal and painstaking effort which may be seen in the business of many private traders. It should not be a reproach that co-operative stores and factories are loosely disciplined, and are not conducted on proper business lines. It should not be a reproach that our businesses are held together through the loyalty of our members. Possibly we are apt to get a little lethargic because our businesses continue to increase year by year, and our energies are mainly taken up with trying to cope with the rapid development. Apparently the same necessity does not exist for the exercise of civility, plausibility, and resourcefulness as in the private trade ; they have to induce trade, ours flows upon us.

If certain parts of our nature, as resourceful servants of the public, are thus to some extent undeveloped, we have the more scope for developing other characteristics, which in the private trade are either thought unnecessary or are lost sight of. There are trade tricks which we can shun as unnecessary, and which are a departure from the true line of that moral rectitude which should be one of the ideals of every true co-operator. It is possible to work conscientiously and diligently from a sense that what is the correct thing to do, is our duty to do, and is the only course which ever advances ourselves as individuals, or our business as co-operative organisations.

Now, all that is demanded by the private trader from his employés is required from co-operative employés, and more.

Co-operation is an organisation for the moral, intellectual, and social elevation of the working classes especially. Every employé should seek to be imbued with a spirit of enthusiasm to make the work grow and prosper. To secure the best results, he should be (1) fully conversant with the history and principles of co-operation, and (2) he should be in sympathy with the same. It may be asked, how can every employé be in sympathy with the aims and objects of co-operation? It might be asked, on the other hand, how can employés in any honestly conducted business, private or public, take an interest in their work and promote its welfare?

Every employé is expected to do this, and when there is the additional sentiment attached to co-operation, it should be easier to get enthusiastic about it than about a private business, which has no aim except to enrich one or two individuals. It is surely much easier to be enthusiastic about a scheme of social amelioration and advancement than about 'the mere making of pounds, shillings, and pence.'

In working for the promotion of co-operative ideas, whether as an employé or as a member, a man is helping his neighbour as he helps himself. He cannot do himself a service without at the same time helping his fellows. It is contended by some that no business should be conducted wholly for personal gain. It has been a use and wont practice from the earliest times; altruistic ideas and principles are a later development. It is a noble nature which is self-sacrificing for the good of others. For the sake of our younger brethren in the service, we should be buoyant, and hopeful, full of faith and enthusiasm, knowing that patience and perseverance in surmounting difficulties often brings about improved prospects, and occasionally unlooked-for rewards, apart from the satisfaction of doing one's duty.

Managers should try and create a co-operative atmosphere in their immediate circle, and should interest the rank and file of employés in co-operative education and work.* If a

manager can develop schemes with an educational character, it will be a recreation for himself. It is a pity when managers and other employés have no aim, except the development of the commercial aspect of co-operation. We are apt to become biased and narrow-minded by concentrating all our thoughts and energies on one object. There are numerous ways by which we can help forward the study of social subjects, even although what is usually reckoned recreation should find a place in our programme.

Co-operative employés should be well informed and broad-minded. Each should be something else besides being a co-operative servant. Each should have an individuality of his own, should have developed some line of study, and should be accustomed to think for himself, apart from such information as can be obtained from books. He should also be resourceful, self-reliant, capable, a thinker, and a spontaneous and enthusiastic reformer.

STUDENTS' NOTES.

SECTION 2.

Internal Control of Shops.

CHAPTER II.

Internal Control of Shops.

THE last few decades have seen a marked improvement in the art of shopkeeping ; externally and internally, the whole system has been revolutionised. The old-fashioned dead front, plentifully supplied with brick and timber, embellished with small peeping panes, is a curiosity, and decidedly a relic of the past.

The Evolution of Shopkeeping. Not to be behind the progress which society has made in the vagaries of life, the modern shopkeeper and merchant, by combining art with the latest developments of science, have stimulated business, and placed themselves in the forefront of enterprise.

So high has the ideal been raised, especially in large busy centres, that it is only those with an abundance of capital who can keep abreast of the times. The small tradesman with limited means is literally being crushed out. The danger against which guarded action is needed, whether in co-operative or private shopkeeping, is over-capitalisation.

Architecture has entirely changed the outward appearance of business premises ; symmetry of design and ornamentation have educated the public taste so nearly to the point of fastidiousness that, within certain bounds, those features have become essential to success.

In the earlier days of the movement it was thought that co-operative custom would be brought anywhere ; that any side or back street would do for a store. But Position of Shops. • these notions have been exploded by experience.

Many established societies to-day are suffering from the lack of foresight and the miserable policy of their pioneers and immediate successors.

The position, therefore, of central, no less than branch shops, is of primary importance. A keen eye should be kept upon the thoroughfares of a town. Premises standing prominently before the public command attention, and form, unconsciously, one of the best of advertising mediums.

In frontages, in every line of business, obstructions to the line of vision are being reduced to a minimum—plate glass predominates; whilst the taste for display is distinctly aesthetic. External attractiveness evinces smart management, and is conducive to trade.

The changes which have come over the outward appearance of shops is equally as significant and pronounced internally. One is the corollary of the other.
Shop Accommodation. Each trade has its peculiar mode of construction and adaptation.

In commencing a branch, the need of the district, the number of departments, and the amount of accommodation for the efficient conduct of the business, will require patient investigation and deliberation. Manager and committee should consult together, and be as one in the matter. Where the latter initiate new ventures, without the opinion of the former and proper inquiry, serious trouble may ensue. The responsibility should be shared.

The experience of the alert manager, together with his knowledge of district requirements, should be invaluable to a society. A modicum of prescience in determining size and position of site may prove helpful.

Sometimes a district plebiscite is taken, but with ordinary care the opportune moment will readily reveal itself.

The consecutive order in which retail departments should be established presents a difficulty, but with some allowance for variation may be set down as follows:—Grocery, butchering, greengrocery, drapery, boots, tailoring, furnishing, fish, jewellery, chemists, café, dairy—the adoption of either, or all of them, depending entirely upon local contingencies.

In the early stages of a society's experience, the grocer's shop is made to serve the purpose of a general store, having supplies of common household requisites, to which is added, step by step, articles in demand, awaiting the favourable opportunity, when the trade in any separate trade justifies extension, of providing special accommodation in individual shops. There are many societies, indeed, especially in agricultural districts, which never get beyond the general store stage owing to the population being somewhat stationary; and so long as the members' requirements are met, there is no need to extend further. Generally speaking, however, although the departments will vary in size, the trade is centralised in suitable premises.

Given a shop, this is sub-divided into grocery and provision departments. To give effective display, two windows with specially adapted fittings are absolutely necessary. (See Appendix I, Section 2.)

Grocery and Provision Windows. The grocery window is so arranged as to allow a terraced stand to be fixed to base, which may be either pyramidal or flat, according to taste. Blocks and shelves are sometimes used, and an ingenious assistant should meet with no hindrance to an artistic show.

Whilst the grocery window fixtures may be entirely covered with packets, tins, jars, &c., the provision side requires an under-structure to give effect, coolness, and tone to the goods. Rouge or white marble is recommended, the former preferably, as the latter is apt to lose its colour. Where this may be too expensive, marble oil baize of good quality is a fair substitute. A shelf or two of the same material gives prominence to each class of goods. A mirror behind and plant decoration work wonders.

Entering the shop there is scope for elaboration of detail. It is well, perhaps, to first decide, approximately, the amount that may reasonably be expended.

Grocery Fixtures and Counter. It is customary to use either pine or mahogany for counters (2'9" high x 2'4" wide), stained or

polished top, under which, behind, fixtures and drawers are placed for reserve or forward stock ; whilst at front, immediately beneath the forward ledge of the counter top, protruding somewhat, glass sections may be arranged for sample commodities.

Carry wall fixtures 9' high, build of pine with mahogany nosings, and finish with ornamental cornice. Bottom section should be level with counter, 18" deep, fitted with shelves, lockers, bins, and drawers ; make the upper part 11" or 12" deep ; shelve and happily relieve in centre with glass case for proprietary articles.

On this side of the shop, other movable fixtures, stands, show-cases, and accessories may be placed at pleasure.

Provision Counter and Fixtures. Size, in both instances, uniform with grocery.

Make the counter four inches wider, when space will permit, with marble top entirely, and protected butter slab at end. Shelf underneath.

Fixture against wall from top to bottom ; at the base two, and above three sections with divisions, with white tiles at back. (See Appendix I.)

Over counter, from roof, fix steel rail pendant (always brightly polished), with steel hooks for hams, bacon, &c. .

Wash down marble slab every morning to sweeten ; rigorously enforce cleanly habits.

The selection of scales is one of preference. There is quite a galaxy of makes on the market, each finding favour—beam,

Scales. inverted and vibrating. In every case, the process of polishing and adjusting accurately every morning should become a first consideration.

In towns where home-made bread is largely used, flour is sold in varying quantities from 1lb. to a sack at a time ; a flour

Flour Warehouse. warehouse adjoining the grocer's shop, and situated at the back on ground floor, is a convenience. Bins are provided to contain the various qualities, and cereals ; whilst an automatic totally-enclosed shoot is

attached to each, by which flour may be dropped from the storage loft above into the bin with little effort. It is best to procure patented, dust-proof bins, with useful appliances, otherwise a great deal of waste may follow and impurities enter.

Some districts do not sell flour in quantities sufficient to warrant the adoption of a warehouse, and therefore substitute a packing-room in its place. Here customers' orders are made up ready for delivery, and small packages of sugar, rice, currants, &c., are weighed and wrapped to replenish the stock in the front shop. With slight alterations to the flour warehouse shown in the plan, such as a bench and rough fixtures, a packing-room could easily be provided.

Cool cellars are desirable for storing provisions—hams, bacon, butter, cheese, tinned goods, &c., but the greatest care is needed to exclude damp and rodents. Before Cellars. building attend to drainage, for it is bad to remedy afterwards.

In warehouse or shop, all goods received from carriers should be regularly and faithfully noted in traffic book for that purpose—reference number, date, sheet **Reception of Goods.** number, station, description, weight, charges, by whom received. (See Appendix 2.) This is for bulk only, to check transit charges, or for other reference which may ultimately be necessary.

Following this principle through, the details of items thus received will then be entered into the goods book, in which are particularised—date, consignor, quantity, description, gross, tare and net weights, lorry book reference number, price, extension. Where leakage account of warehouse is desired, add another column for retail prices. (See Appendix 3.) When invoices are to hand, compare, and cancel entries. (Branches receiving goods from warehouse will, of course, only need goods receiving book.)

*Examine every package and all goods very minutely. If

not in normal condition, or if any shortages, call attention of lorryman to fact, mark particulars on his sheet, and enter claim against railway company in usual way.

It is most unbusinesslike to accept weights, either of merchants or railway company, without checking them.

A good warehouseman will acquaint himself with all the incidences of railway rates, to see that charges are no more than tariff allows, and that the contract is fully discharged. He will exercise care not to incur demurrage and warehouse expenses needlessly.

An account should be kept of all empties that can be profitably returned. These would be recorded in advice book, and placed to credit of department by office staff. (See Appendix 4.)

Wrappers, boxes, and bags free, should be disposed of as quickly as possible. Lumber will accumulate unless watched.

It is rarely the practice to mark cost prices on the goods in the grocery and provision departments, because the stock is repeatedly being turned over, but it is considered necessary to keep a record of the fluctuations in prices during the quarter or half year for reference. Where a society has a central warehouse for the distribution of goods to its branches, it is perhaps safest to mark all large packages in the manner noted as under.

Mark the goods privately, with cost and date of receipt. When stocktaking, the difference between purchase and market value may be easily ascertained, and the loss or gain in buying accurately tabulated.

Each manager has his own secret mark, but to illustrate, some letter or symbol is taken to represent each figure to 9 with the cypher added :—

C O M E A N D B U Y

1 2 3 4 5 6 7 . 8 9 0

In marking, therefore, a combination of these figures would represent the cost price. *The month and year, not always

adopted, though quite necessary, should be added; the month alphabetically:—

A for January, B for February, &c., so that O/E 25 B/05, transcribed, would mean 2/4 25th February 1905.

All goods are charged to shops at wholesale and retail value from warehouse. Where there is not an independent source of supply, the check on the sale of goods is incomplete.

A small society, say, with central premises only, would require the manager to mark the retail prices of commodities

Transfer of Goods. on invoice, which would be transferred after wards to a properly constituted leakage account.

(Refer to "Co-operative Book-keeping," chap. 12, pages 49-53.) But in a society having branches, a central warehouse not only safeguards its interests but is a necessary addendum.

Triplicate transfer books, two top leaves ruled, and perforated, the other left blank and fixed, are requisite for effectual working. With draft of goods, first sheet acts as delivery note; second, as invoice to branch; and third, warehouse account of same. (See Appendix 5.)

The totals of each branch despatch are kept in summary book, with index; so that, at any time, individual transfers may be correctly seen at a glance. (See Appendix 6.) The use of this book prevents overstocking.

Forward stock should be studiously classified, having regard to the natural position in which each distinctive article should be placed. Care should be taken

Stock-keeping. to keep scented goods away from absorbent goods, or close proximity will produce contamination. It is safe, on the grocery side, to place all soaps on the bottom shelf, sugar next, then rice and barley, followed by teas, cocoas, corn flour, starches, &c. In the drawers dividing the sections, cream of tartar, blue, peppers, mustards, spices, baking powders, and so on. Put proprietary articles in cases, biscuit tins on stands. Label

drawers, bins and cannisters. It is a mistake to be constantly changing the position of stock; serving should be facilitated in every conceivable way, and become somewhat intuitive.

Bacon and ham require special attention. The condition in which the meat is received—whether dry or wet—decides the mode of dealing with it. Some provision hands dry the wet sorts by heat from coke fires, but a cold dry current of air, or draught, seems more popular. In any case, this class of goods should be kept in a cool, dry place, each piece being separated by a few inches, or there is danger of mould setting in.

Butter, also, should be stored in a cool place. During the summer months, especially if the trade in this commodity is slow, turn out half a cask at a time, as it is liable to run—Irish creamery more than Danish. Note that all casks are marked with identification numbers, which are repeated on a slip of paper inside, as for example :—

“Lur Brand”

Danish Butter.

A 4,045.

These particulars should be properly recorded, so that in the event of any action being taken under the Food and Drugs Act there would be no difficulty of locating the responsibility under warranty.

The same storage qualities are necessary for cheese as for other provisions, and on no account should dairy-made cheese be piled on top of each other. It is, perhaps, best to follow the same rule with every class, even though factory-made cheese is much firmer. This, of course, refers to those not packed in cases.

On this side of the shop preserved tinned meats may be placed, whilst the return end may be utilised for pickles, sauces, &c.

As it is vexatious to customers to be continually short of supplies, it is advisable that each assistant should have charge of his quota of stock, and be held responsible for adequate replenishment of same, as well as for orderliness and cleanliness. He should be provided with a memorandum book in which to enter lines that are running low and which he knows ought to be repeated.

Forward Stock. In the warehouse, casks and bins should be used to advantage. Have specially constructed racks for goods, and keep a thoroughly up-to-date inventory of all stock.

Further points on stock-keeping which effect economies are given in the chapter on leakage.

CHAPTER III.

Butchering or Fleshing Department.

It is feared that little attention is given both to the general appearance and position of a butcher's shop. At sight, it **Frontage.** should be bright and scrupulously clean; properly constructed, accoutred, and supplied with latest accessories. It should be shaded from the rays of the sun, by position if possible, failing that, a roller sunblind, falling from top of facia to regulation height, will be necessary.

Plate glass, horizontally divided, top fixed, bottom sash running up parallel with under sash, is the custom for window light. A marble slab at 20° slope, the full length of window, and brought to front, only so far as to allow woodwork of bottom sash to fall below it, is recommended to allow full view of meat when window is down. This is a detail not usually observed, but its advantages are readily seen when pointed out. (See Appendix 7.) As an alternative, a single sheet of plate glass three-fourths the size of window space may be adopted, and the upper portion fitted with fan lights or ventilators. The latter style of frontage is one that is gradually forcing itself upon the attention of butchers, because there is thus provided an embargo against dust.

Below window, outside, fix white tiles; also cover the walls inside with same; prettily ornament with figures of cattle or sheep, to break the monotony. Periodically washed down, the shop will always be healthful and enticing to customers.

For other details, respecting scales, steel rails, &c., refer to notes on provisions.

The public abattoir has not yet become universal, owing to the preliminary difficulties which private ownership of slaughter-houses presents, but from many standpoints the authorities will have to press the matter to a successful issue, owing to the fact that it is impossible, under present conditions, to control the sale of unsound or diseased meat. With a central abattoir, inspection of cattle would be simplified and thorough.

Before setting down a slaughter-house, local by-laws will have to be considered. In Scotland, the arrangement of the **Slaughter-House and Slaughtering.** slaughter and hunger-houses as shown on the plan would be illegal. These would have to be built on the outskirts of the town, away from the distributive department. It is convenient to have them contiguous, because by an arrangement of tramways and pulleys the carcasses may be run through from one to the other with ease, but health considerations must take precedence.

It is important that the floor of the slaughter-house, whilst necessarily impervious, should not be slippery. Smooth concrete floors become very greasy when wet, and as a result restive cattle are apt to fall down and injure themselves. A roughened or grooved surface is recommended.

The hunger-house, or waiting-house, is divided into pens for cattle, and should be cut off from the slaughter-chamber by sliding doors. The pitch of the floor and the drainage of the slaughter-house should not by any means be allowed to run into these waiting pens.

The method of dispatch should be as expeditious and as humane as the task will allow. The slaughter-house should be constructed so that the animal can be led straight up to the slaughter-ring without having to be turned round. This ring should be affixed to the wall about '2' from the ground.

All animals should be stunned, or otherwise rendered unconscious; afterwards "pithed" by thrusting a cane through the hole in the forehead and up the vertebra, to break up the spinal cord and ensure absolute death, before the blood is drawn. The expert slaughterman prefers the pole-axe to any of the patent killers on the market which are used to stun beasts, whilst he uses clubs of heavier or lighter weights for stunning calves, sheep, lambs, and pigs. Sheep should be struck on the top of the head between the ears, and not on the forehead.

Carcasses should be allowed to hang from ten to twelve hours before cutting up into quarters. During the summer months the proper firmness can only be obtained by having fan blasts of cold air driven through the room.

Labour-saving machinery should be introduced into large establishments; of these, perhaps, the endless or direct crane is not the least important. A large pair of platform scales, for weighing quantities, checking, and dispatching, will also be necessary.

Due care should be exercised in skinning, as there is a possibility of greatly deteriorating the value of hides by cutting them. In like manner, by a little judicious management, close attention to the disposal of offal easily augments the profits of the department.

Hides and skins greatly fluctuate in value, and are generally sold to merchants who make a speciality of the business. Within recent years the C.W.S. has opened such a department, and is doing well.

Hides are mainly classified into three qualities—horned, polled, and Highland—and are more valuable, as a rule, as the weight increases. These are, again, divided into first and second-class, under weights, as per merchant's price list here given as an example:—

SALE, FRIDAY, NOVEMBER 30TH, 1906.

• HIDES.	Horned.		Polled.		Highland.	
	1st.	2nd.	1st.	2nd.	1st.	2nd
100lbs. and above	—	—	..	—	..	5 $\frac{3}{4}$
95lbs. and above	5 $\frac{1}{2}$	5	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	5 $\frac{1}{2}$
85lbs. to 94lbs.	5 $\frac{1}{2}$	5	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	5 $\frac{1}{2}$
75lbs. to 84lbs.	5 $\frac{1}{2}$	5 $\frac{1}{2}$	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	5 $\frac{1}{2}$
65lbs. to 74lbs.	5 $\frac{1}{2}$	5 $\frac{1}{2}$	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	5 $\frac{1}{2}$
56lbs. to 64lbs.	5 $\frac{1}{2}$	5 $\frac{1}{2}$	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	—
55lbs. and under	5 $\frac{1}{2}$	5 $\frac{1}{2}$	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	—
Cows above 60lbs.	5 $\frac{1}{2}$	5	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	—
Cows 60lbs. and under ..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	..	5 $\frac{1}{2}$	5 $\frac{1}{2}$	—
Bulls	4 $\frac{5}{8}$	4 $\frac{5}{8}$	..	4 $\frac{5}{8}$	4 $\frac{1}{2}$	—
					Horned. Polled.	
Ill-flayed and damaged, 75lbs. and above					4 $\frac{3}{4}$	5
Ill-flayed and damaged, under 75lbs.					4 $\frac{3}{4}$	5

Calf and Sheep Skins, Inversely, calf skins increase in value the lighter they are, and quotations are given with &c. and without heads :—

With heads	25lbs. to 35lbs. weight	5 $\frac{1}{2}$ per lb.
" "	17lbs. to 24lbs. "	7 $\frac{1}{2}$..
" "	9lbs. to 16lbs. "	7 $\frac{1}{2}$..
" "	Under 9lbs. "	7 $\frac{1}{2}$..
Without heads	9lbs. to 16lbs. "	8 $\frac{1}{2}$..
" "	Under 9lbs. "	8 $\frac{1}{2}$..
" "	Cuts 17lbs. and above	5 $\frac{1}{2}$..
" "	.. under 17lbs. "	6 $\frac{1}{2}$..

Sheep skins may be divided into five classes—sheep, mule sheep, Scots, hoggs, and mule hoggs—the prices for which, on the same date as given for hides, were :—

Sheep	5/- to 9/6 each.
Mule sheep	5/- to 8/9 ..
Scots	3/- to 7/6 ..
Hoggs	4/- to 11/6 ..
Mule hoggs	3/9 to 8/6 ..

Pelts are skins with wool taken off, and are the least valuable, varying from 1s. 6d. to 2s. 6d. each.

Entrails are either sent to sausage or tripe department, or sold to merchant for disposal to dealers in those viands.

The price for tallow, also, varies from 2s. to 3s. per stone, according to market value.

In Great Britain there is a fair trade done in frozen and chilled meats, but very few co-operative societies have made any experiment in the sale of either of those **Frozen and Chilled Meats.** kinds. Owing to the law of this country compelling the slaughter of foreign cattle in the place of disembarkment, there is a remote possibility of any fraud being perpetrated on a buyer when on the market buying.

Herds of young cattle are sent to this country from Ireland and are bought by farmers to fatten for the markets. Some **Grazing.** of the societies having farms adopt this policy, and to a society not having a farm there are distinct advantages in renting a few acres of land for grazing purposes. Among other things, it would permit the purchase of cattle when markets were low; in an uncertain trade, make it possible to conveniently hold live stock over for a time; and also give the manager an opportunity of feeding to the standard required by his customers.

Each district has its peculiar fancy for cattle, and the buyer applies his experience accordingly. Short horned, **Cattle in Demand.** polled Angus, Hereford, Scotch, and kyloes, among bullocks; cross downs, hoggs, half-breds, three-quarter bred, mule, Cheviot, in sheep, are in demand.

In buying cattle, the chief considerations of the buyer are (1st) suitability to his trade, (2nd) in yielding full standard **Judging Cattle.** weight when killed, without superfluity of offal, and (3rd) freedom from disease. The proportion of fat to lean, large cuts to small ones, will determine the kind of bullocks, sheep, &c. to buy, and regarding point two, the method of feeding will have had a great deal to do with the proportion of saleable meat to offal that is

realised. It is well, sometimes, to know who has fed the cattle.

There is no universal practice in the sale of cattle. In some markets the live weight of each head of cattle is given before offering for sale, whilst in others everything is left to the judgment of the buyer in guessing the value at sight or by examination. Some farmers and dealers will sell by dead weight at a given price per stone. "Sinking the offal," often quoted in the press, means the price per stone of the carcass without entrails, hide, &c.

When bullocks are bought either by auction or by bargaining, seeing that the buyer makes mental calculations of the possibilities before him, it is only after **Live and Dead Weights.** killing, when the saleable quantity is accurately calculated, that the profitableness or otherwise of the bargain is made known.

As already implied, there is a great difference between the weighing qualities of cattle. It is generally estimated there are 8lbs. to the stone dead weight, but experience proves that a loss of 6½lbs. to 6½lbs. is more likely to be accurate. The following is an actual experiment taken in May, 1908 :—

	Stones.	Lbs.
Live weight	94	0
Dead weight	<u>51</u>	4
Loss	42	10

The loss is nearly 46 per cent, or 6lbs. 6oz. to every stone. The yield, therefore, is only 7lbs. 10oz. to every 14lbs.

There is less offal in sheep than bullocks, and even still less in pigs than either of the above. Sheep will weigh anything between 50lbs. and 90lbs.; pork pigs, 3st. to 12st.; and bacon pigs from 12st. to 30st. dead weight.*

* A useful form of Fleshaing Ledger is given in Appendix 8.

Detection of Disease. It is not always possible to detect disease in cattle when on the markets. Swine fever, deformities, and age are manifest to the practical butcher, but the presence of tubercle in live stock baffles his skill, excepting in the last stages of the disease, when the flanks and shoulders fall away and sink below the normal. Even veterinary surgeons are useless in diagnosing the early stages of lung trouble, and the tuberculosis test has been known to fail. In some of the markets each head of cattle may be insured against such diseases. The cost is trifling. A society might form its own insurance fund to meet these losses. One of these courses should be adopted, as the loss of a bullock's carcass, or a series of them, might prove fatal to a store's interests, especially to a small store.

Sheep are almost immune from tubercle; it seems to be very prevalent in pigs, and even attacks calves and heifers.

When any doubt exists in regard to the condition of a beast, the medical officer of health, as well as the inspector, should be consulted; for, after all, it is better to maintain an unsullied name for purity than to endanger the lives of members, and lose custom by any publicity that might be given by prosecution or legal action.

After killing, if the lungs are "knotted" it is safe to predict insidious tubercular disease. That in itself does not invalidate, as there must be evidence that the system is tainted or permeated with it. By cutting the glands in two, this may be discovered without much trouble.

In this trade, the soundness of meat is of first importance. Humid air and summer heat are fatal to butchers. How to keep meat fresh is the problem which he has to solve. No doubt this can only be done by the agency of trade auxiliaries. For shop use ice boxes are in vogue. These are effective, inexpensive to procure, economical, and not costly when in use. A few shillings per week spent on ice, salt, and soda will yield

**Ice Boxes and
Refrigerators.**

sufficient temperature for cool storage: 35° to 40° is considered about right

In large societies with a number of branches, refrigerators on the wet or dry principle are common. A small engine or electric motor is used. The initial cost is heaviest, as these may be worked from 2d. to 3d. per hour afterwards, according to the price of electricity. Without machinery, the refrigerator is merely an enlarged ice box, similarly made and worked.

Some towns possess public cooling stores, but what with cartage and, possibly, distance from shops their utility is questionable.

To pickle meat, brine tanks are indispensable. In choosing these it is not advisable to select wood tubs or **Brine Tanks.** tanks, for, being porous, they absorb the properties of the liquid after repeated use, and finally turn sour and rancid.

Porcelain tanks are decidedly superior to anything on the market—white, glazed, with plug outlet to drain off when required.

In preparing a bath, boiled water should be used, as it keeps fresh longer. The ingredients used are—water, six 13" bucketsful; salt to taste; saltpetre, 6 ozs.; and a cake or two of prunella crushed. When a potato will float in the solution the required strength is denoted.

Personal judgment and taste are determining factors in pickling. Some idea, however, may be gleaned as to time needed to complete the process by stating that three or more days for tongues and meat are thought by experienced men to be quite sufficient.

When the brine "bubbles" or "works," it is time to drain off and make a fresh supply.

Where wood tanks or tubs are used, rinse out with a dilution of permanganate of potash or Condy's fluid.

Unlike most of the other departments, the butchering accounts are balanced weekly. A model copy
Weekly Accounts. is herewith shown :—

DR.	£ s. d.	|	CR.	£ s. d.
Live Stock .			Live Stock	
Dead Stock.			Dead Stock.....	
Purchases .			Sales	
Wages			Transfers	
Rent, Interest, Depre- ciation, &c.			Hides and Skins... ..	
Grazing				
Transfers				
Balance—Profit.....				

CHAPTER IV.

Greengrocery and Fruit Departments.

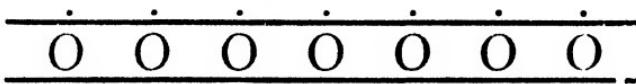
WHERE a society has good accommodation in its grocery department, the sale of greengroceries may be added with profit; and although the serving is never so good, or the variety as great as in a properly adapted shop, the convenience to customers and a society's limitations are sufficient reasons for the amalgamation of those trades. In this case the sale of the more delicate and seasonable fruits can scarcely be attempted, because strict personal attention is necessary. For the most part, vegetables and hard fruits are sold in these mixed shops.

A separate fruit department, however, when the nucleus of a trade has thus been formed, is a desirable addition to commercial relationship with customers. In **Individual Shops.** populated centres this specialisation of the trade is demanded, and as there are so many side lines which can be added to this department, there should be no great hindrance even to a moderate society launching out in this direction.

The premises need not be very large, but there should be a room at the back to be used for storage, sorting, and unpacking, so that litter might be kept away from view of the front shop.

Without a window show, any distributive trade would be sluggish. An appetising configuration not only pleases but

Window Show. incites business. Properly arranged, a fruit and greengrocery window should be attractive. Certain fittings are necessary, though not of an expensive order. The formal brass standard uprights, placed in doubles, or pendant brackets, will be required to carry a peculiar construction of brass circles and rods—



on which 7" plates are put, filled with fruits, whilst the bottom of the window should be flat, with raised section at the back, and the dressing completed by the use of trapeziform stands.

Window dressing, particularly with fruits, is a somewhat tedious process, for the goods must be selected, prepared, and cleaned, and some patience is required to build up in a form pleasing to the eye.

The shop should be sectioned internally, so that the goods might be placed in due order for sale. An ordinary stained counter will be required; bins, 8" deep, with **Shop Arrangements.** top dressing, for onions, apples, oranges, &c.; light flat shelves, to carry tinned fruits; trays, 20" x 10" x 2"; a shelf or two at an acute angle, for storage, and show of celery and rhubarb; deep potato bin, with trap outlet, bottom obtuse angle to throw the goods forward; metal gripe for same.

Besides the ordinary trade in seasonable goods, it has been found desirable to add certain side lines to assist the sales in this department. Among other things, button. **Side Lines.** holes and bouquets of flowers, artificial and natural mourning wreaths, plants, bulbs, seeds, preserved fruits and confections, &c., have found favour, and, well cultivated, lead to good business. Tinned fruits, too, are always in demand during the off season. Facilities should be provided at the back of the premises for boiling and

preserving perishable fruits during the summer and autumn months.

Immense care must be taken both in the buying and the keeping of the stock. Do not overload the shop. Buy what will sell, and in quantities disposable. The Stock. assistant will have to be continually sorting, rubbing up, and generally attending to the stock. Bad stock must be sacrificed, and in pricing goods, perishableness should be calculated.

CHAPTER V.

Fish and Poultry Shops.

THE supply of fish to members has been very feebly attempted in the past by English societies. Scotland has, in some measure, led the way in that respect. Poultry shops, in which cooked hams and cured fish are included, are more common. It is estimated* that a society with about 2,000 members could make a fish department successful. For this, special provision would have to be made in premises adapted for the purpose.

The shop might have either a single or double front, according to space at disposal or the extent of the trade contemplated. Double windows are to be preferred if poultry and venison are to be included. (See Appendix q.) The windows are similar to those in the provision and butchering department, having bases of marble, though at a more acute angle to allow drainage of water to fall into the gully at the front. The fish side of the window would be sectioned, the lower for fresh, and the higher for dried, smoked, or salt cured fish; whilst the other window should be kept entirely distinct for poultry, rabbits, &c.

Inside the shop, which is nicely tiled or the walls covered with well-varnished paper in imitation of tiles, there would be a short slip counter for serving and wrapping purposes, a cutting block, and scales; a large porcelain or slate tank, with ample water supply and outlet drainage; an ice box, zinc lined, to retain the freshness of fish in summer and to

* By Mr. E. Hart, Grimsby.

assist in carrying stock forward to another day. At the fish side, fixtures would be needed to carry tinned fish, such as salmon, lobsters, sardines, cod, &c.; while on the other side a tier of rails would be placed, on which to put poultry, &c. At the back of the premises there should be a goods receiving room and accommodation for poultry—a roost, in effect.

The Stock. The fish supplied may be as follows :—

Plaice, live	Dabs.	Finneys, seconds.
„ gutted.	Witches.	„ small.
Lemon Soles .	Hake.	Shrimps.
Cod, live.	Ling.	Prawns.
„ dead.	Skate.	Smelts.
Soles, large.	Latchets.	Lobsters.
„ medium.	Gurnets.	Crabs.
Slips.	Conger Eels.	Oysters.
Halibut, live.	Codlings.	Mackerel.
„ dead.	Herrings.	Salmon.
Turbots.	Bloaters.	Grilse.
Brills.	Kippers.	Trout.
Whiting.	Reds.	Mullet.
Haddock, fresh.	Finneys or Fin- dons, best.	John Doreys.

Seasonable.

Live fish is generally known from the other class because it is not gutted; dead fish is placed on the market with gut removed.

A great deal is left to individual taste in the treatment of fish on arrival, its condition and the weather being determining factors. The best way is to thoroughly clean it and place it on shop slabs with blocks of ice to ensure firmness.

With regard to surplus stock, some of the grades could be cured, but this could not be entertained with profit by a society. Salting might be adopted if there was a market for the products.

There is a constant demand for smoked fish (including smoked fillets, which is a comparatively new article of diet); these are, however, best bought from factors who make a feature of the business.

As far as possible, the salesmen and sales of these should be kept distinct from fish. There should be no contact between the two for obvious reasons. Live **Poultry, &c.** poultry should be bought, and slaughtered each day to meet the requirements of the front shop. During the winter months, rabbits, hares, and poultry will form the greater portion of the sales, and a stimulus is given by forming turkey and goose clubs a few months before Christmas.

Profits. Large profits may be made in this department providing a good experienced person is put in charge. The great consideration in this, as in every department having a regular trade, is that the best quality only be bought. Market fish, as it is called, is imported, and of a very inferior quality. No doubt the temptation is strong, sometimes, to buy the poor class, but no self-respecting shopman would be led to offer it to his customers. The important thing is to nicely gauge the prospective demand, and to keep stock at a minimum consistent with the business

CHAPTER VI.

The Pharmacy.

It is computed that there are 10,000 pharmacies in the United Kingdom and Ireland, and, taking the number of inhabitants at forty millions, it gives a pharmacy

When to Commence. to each 4,000 persons. This business is one of the latest introductions into the co-operative movement. To decide when a society should commence is not a question of the number so much as the loyalty of the members. There are known examples of societies with less than a 3,000 membership conducting a pharmacy successfully. In an ordinary way, the nucleus of the trade is made in the grocery department by the sale of proprietary articles. It is one of those trades which, under the superintendence of a thoroughly experienced chemist, tends to foster co-operative production, and is at the same time a profitable investment of share capital.

Presuming a society has buildings at its disposal, say 45' × 26', with extra accommodation at the back (see **Capital Required.** Appendix 10 for ground and internal shop plans), an up-to-date shop could not be adequately fitted on less than an outlay of £1,200—£400 for fixtures and £800 for stock. A small shop may be fixtured at a price as low as £50, and even the higher sum could be cut down by using stained wood instead of solid mahogany for fixtures, with less elaboration, and by reducing the number of side lines of stock the £800 could be materially reduced, but these are always a necessary and lucrative portion of a chemist's business.

Fumed oak is the latest innovation for fixtures in a chemist's shop, and is not only pleasing to the eye, but gives a solid appearance to the shop. A pharmacy set down to the size given would be capable of doing a trade of from £50 to £70 per week.

The shop will require space for—

- (1) Cellar, in which to store oils and empty bottles.
- (2) Ground floor—shop, with sections—
 - (a) Two windows, recessed doorway.
 - (b) Serving space.
 - (c) Dispensing screen, with accommodation for mixing and putting up prescriptions at the back.
 - (d) Laboratory, with bench, in which to prepare own "specialities."
 - (e) Photographic dark room.
 - (f) Reception room.
- (3) Warehouse, either on the ground or first floor, subdivided to carry surplus stock.

The cellar would have to be thoroughly drained and ventilated, fixtured for the classification of bottles—dispensing, local preparations, and poisons. All volatile oils would be stored in galvanised tanks, otherwise there would be great leakage by evaporation and filtration. Unpacking may be executed here if convenient.

Before the advent of the shop-fitter, the walls should be match-boarded and painted either French grey, terra cotta, or light green. The ceiling should be either left white or covered with anaglypta. The dispensing screen would have a mirror in the centre and sponge cases at the sides and underneath; the counter tops entirely furnished with glass cases; and the wall fixtures on the drug side 5' from the floor, fitted with large and small drawers; above that, shelves placed at irregular distances for stock bottles duly labelled with the

**Shop
Fittings.**

nature of their contents. At the base of these fixtures lockers are made for bottles and other sundries. Altogether, this conventional arrangement of bottles, drawers, and lockers is attractive.

One counter only would be required to stand alongside the drug fixtures, whilst the open section would carry the side or supplementary lines in air-tight, dust-proof cases, with sliding doors. For further suggestions respecting fixtures and other requirements in detail, see Appendix II.

This room need not be very large, unless it is proposed to execute enlargements by either the daylight or lantern

Photographic Dark Room. processes. No ray of white light should fall into it, and developing will have to be done by the light passing through ruby or deep orange tinted glass. At night, a light outside of this ruby square is better than having the fumes of oil or gas emitted inside the dark room. The density of the glass must be regulated by the sensitiveness of the plates used.

Quarter, half-plate, and whole-plate dishes are necessary for development. A large dish for fixing, and patent racks in which to place the plates in washing out the hyposulphite of soda. There must be a plentiful supply of water, with ample drainage, and shelves to hold the chemicals.

The trade in photographic utensils may be increased by forming a "camera club" in connection with the society. The alert chemist will watch these opportunities to push his business, at the same time making himself useful by instructing the amateur photographer in the mysteries of this art.

The reception room can be used for many purposes, and this will determine what furnishing is necessary to meet all the requirements. In a general way, the **Reception Room.** dentist would be accommodated here; customers would be received there; and "trying on" trusses, &c., would be conveniently carried out in this room.

What should be done is that the reception room be made as comfortable as it looks, and in many respects modelled after the style of a drawing-room.

Chemists, like other pushful business men, trench very closely upon trades which cannot strictly be said to belong to them. This will necessitate the line of **What Lines to Incorporate.** demarcation being drawn by mutual arrangement, or otherwise by the board of management.

Besides the usual dispensing, and the sale of patent medicines, a fairly large trade can be built up by stocking—

- (a) Oils—turpentine, machine oils, and paints.
- (b) Sick-room requisites—bed pans, douches, syringes, hot-water bottles, sheeting, hot-water beds, trusses, &c.
- (c) Invalids' and infants' foods.
- (d) Winter and summer specialities, from the British Pharmacopœia or some other reliable prescriptions, made up on the premises.
- (e) Photographic outfits and chemicals, to which might be added the development of plates and proof prints at special charges.
- (f) Mineral waters.
- (g) Stationery.
- (h) If a seaport town, medicine chests.

Some chemists add teeth extraction and general dentistry to their business, but as these operations need the skill of an expert, it is, perhaps, inadvisable to do so unless a qualified person can be engaged. An arrangement might be made for a qualified dentist to be in attendance on certain days of the week to extract and fit teeth. For this, of course, a special operating room would have to be set aside, properly furnished and equipped.

Previous to January 1st, 1869, the sale of poisons (except white arsenic) was unrestricted in Great Britain, but the

Management. Pharmacy Act of 1869 gave the qualifications and titles of dispensers and sellers thereof. To become a chemist and druggist, therefore, it is necessary to pass a preliminary examination in general education, have three years' experience in dispensing medical prescriptions, and pass the minor examinations, conducted in Edinburgh and London by the Pharmaceutical Society of Great Britain. No other title is valid in Great Britain. Ireland has its own Pharmaceutical Society, with similar rights and privileges. There is also a higher examination, entitled the major examination (P.S.G.B.), to whom either "pharmacist" or "pharmaceutical chemist" is reserved.

In 1908 another Act entitled the "Poisons and Pharmacy Act" was passed, its object being to regulate the sale of certain poisonous substances and to amend the Pharmacy Acts. The provisions of the Act which most concern co-operative societies are those which relate to "bodies corporate" (which term includes registered co-operative societies) carrying on the business of a chemist and druggist. Clause (4) of section 3 of the Act reads as follows :

"(4) A body corporate, and in Scotland a firm or partnership, may carry on the business of a pharmaceutical chemist or chemist and druggist—

"(a) if the business of the body corporate, firm, or partnership, so far as it relates to the keeping, retailing, and dispensing of poisons, is under the control and management of a superintendent who is a duly registered pharmaceutical chemist or chemist and druggist, whose name has been forwarded to the registrar appointed under the Pharmacy Act, 1852, to be entered by him in a register to be kept for that purpose, and who does not act at the same time in a similar capacity for any other body corporate, firm, or partnership ; and

"(b) if in every premises where such business as aforesaid is carried on, and is not personally conducted by the superintendent, such business is bona fide conducted under the direction of the superintendent by a manager or assistant who is a duly registered pharmaceutical chemist or chemist and druggist, and whose certificate of qualification is conspicuously exhibited in the shop or other place in which he so conducts the business.

"A body corporate, and in Scotland a firm or partnership, may use the description of chemist and druggist, or of chemist or of druggist, or of dispensing chemist or druggist, if the foregoing requirements as to the carrying on of the business are observed, and if the superintendent is a member of the board of directors or other governing body of the body corporate, or of the firm or partnership, as the case may be.

"Subject as aforesaid, section twelve of the Pharmacy Act, 1852, and sections one and fifteen of the Pharmacy Act, 1868, shall apply to a body corporate, and in Scotland to a firm or partnership, in like manner as they apply to an individual."

The sections of the Acts of 1852 and 1868 relate to the qualification and registration of persons carrying on the business of chemists and druggists. Any person must be duly registered as a pharmaceutical chemist, and only such persons as are qualified in accordance with the provisions of these Acts can be so registered. The effect of this section of the Act is that a co-operative society may carry on the business of a chemist and druggist and sell all such poisons and drugs as a chemist may do provided that—

(a) a qualified chemist, who is in the sole employ of the society is placed in charge of each shop where

- the business is carried on, and the name and certificate of qualification of such chemist is conspicuously exhibited in such shop ; and
- (b) if such business is carried on in several separate shops or premises, then the whole of such premises or shops in addition to having each its own qualified chemist must be placed under the general supervision of one of such qualified chemists as *superintendent*, who is to have the control and management of all such business carried on by the society : In the case of a society having only *one* shop, the chemist employed in that shop is the superintendent of the business, and must be registered in like manner as required in this Act for the general superintendent.
- (c) A co-operative society can carry on all or any part of the business of a chemist and druggist but it may not use the title or description of "chemist and druggist" or "chemist" or "druggist" unless the society has on its board of directors the superintendent of the business, who is a qualified chemist. If a society has on its board of directors a person who is a qualified chemist and who is placed in charge of and has control over the chemists and druggists department, then title of "Chemist and Druggist" may be used, but not otherwise.
- (d) The name of the duly registered chemist who is appointed as *superintendent* to control and manage the business of the department must be forwarded to the Registrar appointed under the Pharmacy Act of 1852 to be entered by him in a register to be kept for that purpose.
- The Act means that a society having a qualified chemist in charge of each of its drug shops and in control of the

whole of the drug business, may carry on the whole of the business of a chemist and druggist but may not use either of these words, nor the term of "Pharmacist" in its title or description. This restriction, as regards the use of the words "chemist and druggist" in a title or description, will not be in any way detrimental to co-operative societies in carrying on their business, as there are numerous forms of title and description which, without touching the forbidden words, will effectively answer the purpose for societies' announcements and descriptions of the business.

The following forms of description and title are suggested as suitable for adoption by societies which carry on the drug business, viz. :—

- (1) Drug Department.
- (2) Dealers in Drugs.
- (3) Dispensing and Drug Department.
- (4) Pharmaceutical Department.
- (5) Chemistry and Drug Department.
- (6) Dispensing of Medicine and Sale of Drugs Department.

None of the above titles, and many others which might be suggested, will in any way infringe the provisions of the Act ; at the same time they give considerable latitude to societies in the choice of a title or description.

There are many intricate legal points arising out of the sale of medicines, upon which only the thoroughly qualified chemist can speak with authority. One thing seems clear, that however qualified a chemist may be, he must confine his energies solely to the sale of drugs, and not in any degree attempt to infringe the rights of the medical practitioner.

Medical Law and Practice. The Medical Act of 1858, as amended by several subsequent Acts, regulates the qualifications of practitioners of medicine and surgery in the United Kingdom, and entrusts the regulation of medical education and examination, and

the registration of students and medical practitioners, to the General Medical Council, London. Any person wilfully and falsely pretending to be a physician, upon summary conviction, is liable to a penalty of a sum not exceeding £20. The chemist's duty is not to prescribe, but to dispense. Sometimes a customer will diagnose his own complaint; for this the chemist may recommend some remedy.

The regulations for the keeping, dispensing, and selling of poisons are necessarily very stringent. Only qualified and reliable persons should be allowed to handle

The Sale of Poisons. them, and it is important that the case behind

the dispensing screen in which the posions are stored should be under lock, and the key in charge of the manager.

Each bottle, vessel, box, or package containing poison must be distinctively labelled, and, as a further precaution, each bottle or vessel must be rendered distinguishable by touch from those in which ordinary articles are kept in the same warehouse or shop. In dispensing or selling poisons, all liniments, embrocations, lotions, &c., containing poisons must be sent out on the same conditions as those which apply to stock-keeping—distinguishable bottles, name of the article, instructions for use, and giving notice that the contents of the bottle are not to be taken internally. These conditions do not apply to poisons in the schedule which form part of a medicine dispensed, provided a copy of the prescription be entered, with the name and address of the person to whom it is sold or delivered, in a book kept for the purpose. Of course, the medicine would be labelled with the society's name and address.

Two books are necessary, then—

- (1) Prescription book, and
- (2) Poison Register.

In the latter book all poisons sold under Part I. of the official schedules of poisons (see Appendix 12) should be entered—

(1) date of sale, (2) name and address of purchaser, (3) name and quantity of article, (4) purpose for which it is wanted, attested by signature, and (5) must be labelled with (a) name of article, (b) the word " poison," (c) name and address of seller. It is further demanded that those poisons shall not be sold unless the purchaser is known to, or introduced by some person known to, the seller.

The poisons described under Part II. of the schedule may be sold labelled only with (1) name of article, (2) the word " poison," (3) name and address of seller.

As the Privy Council, on the recommendation of the Pharmaceutical Society, may amend or add to this list of poisons, it is important that the chemist keep himself in touch with all the changes in the law respecting the sale of poisons.

For the sale of methylated spirit a license, due October 1st, would have to be taken out at a cost of 10s. per annum.

Licenses may be taken out on January 1st,
Licenses and Stamp Duties. April 1st, and July 1st, at three-quarters, one-half, and one-quarter of the above rate.

The patent medicine maker's or vendor's license would cost 5s. a year, taken up September 2nd. One license is necessary for each set of premises where dutiable medicines are to be sold. A sign is not required to be exposed on the premises.

Medicated wine sales are also subject to excise license, and are included under the heading of wine retailers, the charge for which, in England and Ireland, is £2. 10s. per annum; and Scotland (grocer's), £2. 4s. 1d. The quantity sold at one time is limited in England and Ireland, but in Scotland there is no such limitation. All wine licenses include the sale of sweets.

The chemist will have to exercise care in discriminating between articles liable to duty and those not dutiable.

Generally speaking, there are four separate grounds on which liability to stamp duty may be attached to a medicine—

- (1) A claim, whether well founded or not, to any secret or art in preparation.
- (2) A claim to any proprietary right in the preparation.
- (3) The sale of the preparation under the authority of Letters Patent.
- (4) The use of any advertisement setting forth the preparation as a nostrum, proprietary medicine, or specific, or recommending it as beneficial for the prevention, cure, or relief of any malady or ailment affecting the human body.

The titles given to special preparations appear to determine what are dutiable and non-dutiable—roughly speaking, those referring to ailments or diseases are dutiable, whilst medicines described by reference to an organ or part of general terms are not liable. For example, "Throat Lozenges : Astringent and Healing," is dutiable ; "Throat Pastilles," not dutiable, &c.

Stamp duties are paid by affixing a medicine stamp of the requisite value to the package of medicine in such a way that the contents cannot be got at without destroying the stamp. The stamps are obtained from the Stamp Office, Somerset House, or through any money order office. The rates of duty are :—

Value 1s. or under	Duty 1½d.
,, between 1s. and 2s. 6d.	,, 3d.
,, , 2s. 6d. and 4s.	,, 6d.
,, , 4s. and 10s.	,, 1s.
,, , 10s. and 20s.	,, 2s.

and so on, *ad valorem*.

CHAPTER VII.

The Dairy.

THE distribution of milk by societies to their members has become more general during the past few years, and it has proved immensely profitable under capable **How Milk is dealt with.** management. The method of dealing with milk supply differs somewhat according to district requirements. In some parts of the country it would appear that all the milk is delivered direct to the customer by milkmen from a central dépôt or dairy factory, whilst in other parts either dairy shops are popular or the milk is distributed from the grocery department. Not infrequently does it obtain that there are the three systems in use in one society. In any case, if the supply of milk is taken seriously, a dairy factory is indispensable.

The dairy factory, or central dépôt is for the reception and treatment of milk previous to its distribution. The **Dairy Factory.** division of the factory will entirely depend upon the processes it is proposed to undertake.

On the whole societies will only need space and accommodation for the reception, dispatch, and treatment of milk, as its sale will be the principal object in view. It is only when the supply exceeds the demand that it might be necessary to convert milk into butter and cheese. Although, in small country towns, fresh butter and home-made cheese might have to be made to meet the demand of the members, yet the plant required in addition to ordinary milk supply is not a large item.

The dairy should consist of ample shed room, not under 11' feet high, and may be divided into—

- (1) Reception platform and dispatch room.
- (2) Office and testing room.
- (3) Machinery room, or dairy.
- (4) Boiler house.
- (5) Steam wash-house, or scullery.
- (6) Cold store.

(See Appendix 13.)

The building should be built of brick or stone, and with gables facing east and west if possible. The walls inside should either be plastered with cement, or done out with white enamelled bricks. The ceiling plastered, and the dairy floor of best concrete laid with a slope of $\frac{1}{4}$ " to the foot declining towards the drains, which must be placed outside the building and fully trapped. There should be plenty of through ventilation, light, and water for boiler and coolers.

The reception platform should be raised as high as possible to obviate the necessity of having a gravitation tank in the machine room.

There should not be a cellar under the factory.

Under the Dairies, Cowsheds, and Milkshops Order of 1885, places where milking cows are kept, and persons

Registration and other Legal Provisions. following the trade of a cowkeeper or dairy-man, require to be registered with the local sanitary authorities. The medical Officer of

Health, or the Inspector of Nuisances has the power to demand sufficient lighting, ventilation, adequate cleansing and drainage in each cowshed. Similar provisions being made to apply to the dairy in which cattle are not kept.

The authorities are also empowered to prescribe precautions to be taken by purveyors of milk against infection and contamination. Reasonable care has to be exercised in connection with the storage and distribution of milk.

- (a) Milk intended for sale shall not be deposited or kept in any room or place where it will be liable to become infected or contaminated by impure air, or by any offensive, noxious, or deleterious gas or substance, or by any injurious emanation, exhalation, or effluvium. Kitchens and living rooms, or any room or part of a building communicating directly by door, window, or otherwise with any room used as a sleeping room, or in which there may be any person suffering from any infectious or contagious disease. Or in any building or part thereof in which there may be a direct inlet to any drain.
- (b) The milk shall not be placed in any vessel, receptacle, or utensil which is not thoroughly clean. Such vessels must be efficiently covered during the whole time the milk is being offered for sale, and such covering shall not be removed except for the purpose of withdrawing milk for customers.
- (c) Every vessel, receptacle, or utensil used for sale of milk must also be thoroughly cleansed with steam or clean boiling water immediately before and after it shall have been so used.
- (d) Disinfection is insisted upon where there are reasonable grounds for believing persons supplying milk are suffering from any dangerous infectious disorder.
- (e) Milk must not be exposed to the air by pouring such milk from one receptacle to another at any railway station, public place, street, or thoroughfare.
- (f) Other provisions are also given which apply more particularly to cowkeepers in regard to cleanliness in milking cows, to see that the udder and teats of cows are clean, and that the hands of persons milking are thoroughly cleansed before, and kept free from contamination throughout the process.

While it may be the duty of local authorities to watch the interests of the public in taking care to see that the above provisions are carried out in detail, it should none the less be felt an imperative necessity that a co-operative society in entering upon the sale of milk, should, in the first instance, feel sure that the sources from which supplies are to be drawn comply with the conditions of the Order enumerated above.

The Board of Agriculture and Fisheries have issued an Order to Local Authorities in Great Britain under the Diseases

Regulations Respecting Tuberculous Animals. of Animals Acts, 1894 to 1911, which came into operation on May 1st, 1913. This Order is in every respect supplementary in its operations to the National Insurance Acts, 1911-13.

in its crusade against tuberculous diseases. It has been shown by careful investigation, both in this country and abroad, that tuberculosis is transmissible by the agency of milk used for human consumption. For particulars of this Order see Appendix 13A.

In Appendix 14 a form of agreement is given, which explains most of the conditions necessary to regulate the supply of milk. The quantity per day from each vendor is set forth, and it is well to note that an increased price per gallon will have to be paid from October to March.

All milk should be bought and sold according to imperial measure—4 gills=1 pint, 2 pints=1 quart, 4 quarts=1 gallon. In the north of England they call $\frac{1}{2}$ -pint a gill. In Edinburgh a pint is 4 gills, in Glasgow 16 gills, in Dundee it is 12 gills, in the Midlands and South of England we have a barn gallon, which means nearly 2 gallons, and in Ireland there is also considerable variety.

As the profits from milk supply will largely depend upon the ability of the manager to regulate the buying according to daily sales, the fixed quantity bought should not be equal to the maximum sales, unless there are other channels for

the profitable utilisation of the surplus milk. A sudden change in the weather will reduce the demand; holiday periods, and other contingencies have to be considered. To meet extra demands for milk above the contract supply it is desirable to have some suppliers at will, although a higher price has to be given.

There is a belief that the richness of milk can be regulated by giving a larger quantity of rich food to the cows.

Legal Standard for Milk. Some costly experiments have been made in different countries, with the result that with few

exceptions, the experimenters conclude that the fat in milk depends more on the individuality and breeding of the cow, and can only be temporarily altered by feeding. That is so far as increasing the proportion of fat is concerned; on the other hand some foods will increase the quantity of milk, and it is here where the dairyman who sells all his milk by volume is tempted to take little interest in its quality so long as it meets the legal standard of butter fat and solids. The legal standard is fixed at—

3 per cent butter fat, and

8·5 per cent of solids, not fat.

The average milk of commercial herds in Great Britain and Ireland has been estimated to yield—

Butter fat	3·50	per cent.
Casein	4·00	"
Sugar	4·25	"
Albumin	0·50	"
Ash	0·75	"

Making a total of 13 per cent solids, with 87 per cent of water.

The milk supplied should be genuine and pure, neither diluted with water nor adulterated with skimmed milk. It

Samples and Testing. should be free from preservatives, disease germs and any offensive taint. Testing is so simple that it can be conducted by any ordinary

person, but when we come to the detection of fever, and tubercle germs, a skilled bacteriologist would have to be employed. The utensils required are those that will give the specific gravity, the percentage of fat, and percentage of non-fatty solids in milk samples. The following set is recommended :—Dr. N. Gerber's Butyrometer (steam turbine preferred), Hydrometer and Test Jar; Lactometer, Thermometer.

In Dr. Gerber's testing machine two different chemicals are used, amyl alcohol and sulphuric acid, the specific gravity of both of which should be .815 at 60° Fahrenheit, whilst the alcohol must be entirely free from fatty matter and boil at 262° to 266° degrees Fahrenheit.

The test bottle is placed, mouth up, in the wooden stand supplied with the machine, and 10 c.c. of sulphuric acid measured into it, to this is added 1 c.c. of amyl alcohol, which should be allowed to flow slowly down the side of the bottle on to the top of the acid, to this is then added the milk 11 c.c. The butyrometer should be tightly corked and shaken afterwards, until all the curd or casein has been dissolved by the sulphuric acid, and the fat liberated. The butyrometer is then placed in the disc and rotated for three or four minutes, after which it can be taken out and the percentage of fat clearly read off in the graduated neck of the bottle.

The hydrometer will show the percentage of solids in the sample of milk, whilst the lactometer immediately indicates the presence and approximate proportion of added water in milk. Richmond's scale is also much used to give the percentage of total solids of which the specific gravity and butter fat are known.

On referring to the plan it will be observed that the plant for " Pasteurising " is composed of—(a) Receiving How to Tank, i.e., where there is no raised reception " Pasteurise " platform, into which the milk is poured and Milk. • forced by a turbine pump into the elevated

gravitation tank, thence it passes into (b) the " Pasteuriser " which is a copper cylinder, double jacketed all round. There is a stirrer inside that is driven round by a turbine, and the steam rising up into the jacket as it leaves the wheel stirs and heats the milk at the same time. The temperature can be regulated by the operator to any degree, but 184 degrees are all that is needed to kill any dangerous organisms without changing the taste of the milk. Passing from the " Pasteuriser " the milk is allowed to stand for about twenty minutes in the (c) intermediate tank to ensure the destruction of all germ spores. After which the milk is allowed to flow over the (d) capillary cooler which cools it down to about 60°. The milk is then ready for distribution.

" Pasteurising " or scalding the milk is incomplete as a safeguard against further contamination. Indeed at 184° the bacillus typhus is not destroyed, but it is useful in checking the development of lactic acid, or in other words, prevents the milk from turning sour by keeping it sweet for twenty-four or twenty-six hours longer than could be possible otherwise without it.

The most complete and effective process of treating milk in order to destroy all living germs and to preserve it for an indefinite period is that of sterilising.

Sterilised Milk. " Pasteurised " milk is allowed to stand open, and may be in an infected area ; not so sterilised milk, as it is sealed in air-tight bottles before treatment.

There are two systems mostly in use, viz., the " Simplex " and " Sterilicon," the former for small and the latter for large quantities. The mode of operation is similar in both cases. (See Appendix 15.)

Before sterilising the milk should be tested.. Take a well mixed sample of the milk, add an equal portion of alcohol, and if the milk curdles it is not fit for the process. Filter the milk through a separator, or fine linen.

The "Simplex" is a strong, cylindrical, steel tinned case, with steam tight lid. Bottles are filled with milk at 90°, and are then placed in the steriliser, the lid is screwed down tightly, and the steam then turned on gently to raise the heat to 212° in about thirty-five minutes. The milk is afterwards cooled as rapidly as possible, but care has to be taken to have a fair quantity of hot water in the cylinder before the cold water is allowed to flow in.

The "Sterilicon" is a large, iron cylinder with a tight-fitting doorway, and the tray for the bottles, which is rolled in and out on wheels, is constructed with a special apparatus for closing the bottles while in the sterile vapour. The bottles are arranged in straight lines on the tray, and when the doors are closed, the steam is turned on and the temperature raised gradually, and the same rules observed as in the "Simplex." (See Appendix 16.)

It is scarcely necessary to describe the cream separator as they are so common. The principle involved in separating cream is the law of gravitation. The cream being lighter than the skimmed milk, and the two bodies revolving at the same rate of speed, the heaviest very soon relieves itself by seeking the outside of the circle.

The temperature for separating is about 90°, but the Alpha-laval separator may be worked at 80°.

The separator will be very little used in an ordinary milk factory, although in Devonshire, where there is a great demand for clotted cream, one of the delicacies for which that county is well known, it will be in constant demand. On the whole there is not much request for cream, possibly because the societies have not laid themselves out to supply it. No doubt the most profitable way of dealing with surplus milk is to abstract the cream from it at once with a separator, and if the cream is not saleable sour it, and make butter, disposing of the separated milk to the bakery, the farm, or the best way possible.

The milk will be disposed of, possibly both in wholesale and retail quantities. For the wholesale trade, a book ruled and printed to style given in Appendix 17 is a check on the milk received as well as sold in that way. Name of sender, quantities and deductions for reception, and the name to whom or what branch delivered with returns to get a net result.

The Sale of Milk, Wholesale and Retail. Districts differ in the delivery of milk—handcarts, horse floats, perambulators, and cans. There is no hard and fast rule. For a small retail trade and in a closely-populated area hand-barrows are recommended. Each of these should be able to deliver twenty-five gallons per day, whilst in scattered towns and in outlying districts something like from thirty-five to forty gallons per day might be delivered by a float.

The milk is measured to the salesman and duly entered in a book as shown in Appendix 18. Cartman's name, quantity given out, that returned next delivery, overs and shorts. The figures are put into the Appendix as an example of the working of the sheet. The figures being actually taken from a book in use, relating to a week's delivery (seven days), which is really a summary from the day book similarly ruled and headed.

The salesman should carry a book on the lines of Appendix 19 to record the deliveries each day to his customers. Name and address, columns for each day of the week, and balances. The record on each sheet is for four weeks.

For daily cash sales, an ordinary "Climax" or other check book, made in handy pocket size, will do, but as the trade is mostly conducted on weekly supplies, it is necessary to supply a statement each week on a duplicated form as in Appendix 20.

The man in charge will have to look pretty smartly after his men, the great difficulty is to keep them tidy, diligent

and honest. The distributive expenses on the lines laid down will average about $1\frac{1}{8}$ d. per gallon.

In the first place there must be a clear understanding between the milk deliverers and the society as to the basis upon which wages are to be paid. Some **Scale of Wages, &c.** societies deduct leakage values from earnings, especially when a small salary and commission are given. But these matters must be by arrangement. A summary of each cartman's record for wages should be made out each week (see Appendix 21), giving the number of gallons delivered, amount of net shorts after 3 per cent allowance, and wages rate. The progress, or otherwise, of a man's career is readily obtained by a review of this book.

Milkmen are usually very badly paid. The scale of wages for the summer and winter months, tabulated in Appendix 22, is taken from a schedule in operation in a northern society. It is above the average, but not much above what might be considered a fair wage. Of course a strong youth might do for some of the minor deliveries, which does not make the scale appear so bad, as a superficial sight might lead one to think.

This section only requires slight survey, and is only given that it might be useful to those societies whose customers **Butter-making.** demand fresh butter. The plan in Appendix 13 fully sets out all the details of such an undertaking, in some respects much on the same lines as a milk dépôt.

The separator forms a more important part here, and the other machinery required are the refrigerator, power and hand churns, and butter worker. The cold store or settling room is also an important section.

The milk is first strained into settling pans and placed in the above room with stone floor and slate shelving and is allowed to stand about twelve hours in the summer, and eighteen hours in the winter without skimming. The cream

is put into a jar and stirred, then laid aside for twelve hours after the last cream is added before churning, in order that the ripening may be equal throughout, this is best done by keeping the dairy at from 60° to 65° Fahr. For small dairies the over-end churns are best. When the churning process begins, the cream expands and gives off carbonic acid gas, and the ventilator in the lid must be pressed down during the first three minutes' churning to allow this gas to escape. The speed of this churn should be sixty revolutions per minute, and continued until the grains of butter begin to appear on the glass in the lid about the size of a shot of sago. The washing is then done and the buttermilk drawn off. Over-churning is to be avoided.

The butter need only be washed once for salting, but twice for saltless butter. It is then removed to the butter-worker, and spread out to drain before pressing it down. This work must be done gently and slowly to give the free moisture time to get away.

The style of making up butter depends on the market—rolls, oblong squares, round pats, and ornamented. If the trade is large there are special machines for doing this work. The quantities should be rolled in the best vegetable parchment, which keeps it clean and free from liability of contamination.

In large butter dairies an electric or other motive power separator would be used. The milk would be heated to 88° and separated at the rate of fifteen gallons of cream from 100 gallons of milk. The cream is cooled down to 65° as it leaves the separator and run into vats, there to remain for forty-eight hours before churning. The other processes are the same as in a small dairy, only on a larger scale.

CHAPTER VIII.

The Café.

IT is not within the province of every society to make a café successful. The towns most suited for the purpose are those giving employment to large numbers of men, busy market centres, and health resorts with a great influx of visitors. Some societies, however, conduct a small café as a convenience to their country members who come to the central premises to purchase supplies. Under these circumstances the accommodation is rather scant, and the appliances too common-place to deserve special mention.

Committees are somewhat nervous in venturing into this business, and this may account, to a large extent, for the small number of cafés in the movement, and for those which have been crippled by being inadequately equipped to arrest public attention.

To compete with private enterprise, as well as to cater effectively for the varied taste of customers, there are certain well-defined lines of construction, accommodation, and accoutrement for a café or a restaurant. It would seem that the modern demand is for social centres free from the temptation to intoxicants, where billiards, games, and other recreations may be undertaken in a few leisure moments. These and other points must be duly considered before definitely determining to commence a café. In some districts an ordinary eating-house might meet the requirements, but it is sometimes a safe experiment to go farther in providing more comfortable rooms and better facilities.

Not within
the Scope of
every Society.

The position of a café must be left for local consideration—near large works, in the market place, on the central **Location.** premises, or in the chief thoroughfares. It should not be situated in the basement of a building, owing to the difficulty of obtaining sufficient ventilation and light to keep the atmosphere pure and healthy.

The main divisions of a café, built on modern principles and capable of doing about £100 per week, are :—

(1) Kitchen and larder.

What Composes a Modern Café. (2) Dining room and bar.

(3) Smoke or games room.

(4) Lavatories.

(5) Dressing room for assistants.

Whilst the dining room may be placed on any of the floors above the basement, it is always better to have the **The Kitchen.** kitchen on the top floor, away from direct contact with other departments. Underground kitchens exhale exhalvia which are disagreeable and contaminative.

The kitchen should be well lighted and ventilated, have a concrete floor, and neatly walled with glazed bricks. There **Construction.** should be as little wood as possible in it, and an entire absence of wood cases and shelves. Nothing should be placed close up to the wall, to prevent dirt and vermin accumulating. Pipes should be hung from the ceiling, and all the fixtures with as much clearance as can be obtained.

Tables should have metal stands and marble or slate tops. One white enamelled trough will be required, divided **Tables and Troughs.** into three sections, with hot and cold water taps, drainers, and separate outlets or waste pipes in each. These divisions are used for many purposes—cleaning vegetables, washing-up, &c., They economise space in the use of small utensils, and minimise breakages.

The electric potato-peeler is essential in a quick trade, and is capable of peeling one hundredweight of potatoes in ten minutes. Another useful auxiliary is the Labour-Saving Machinery. mincing machine, which saves the cutting of vegetables by hand. These two machines can be driven by a small motor of $\frac{1}{2}$ horse-power strength.

A steam boiler, about 6' high by 3' diameter, will be needed to produce steam for cooking potatoes, hams, puddings, &c., and to supply steam to the Steam Boiler and Presses. presses, of which there would be six, 5' x

4' 6", with changeable divisions, each press capable of turning out 50 puddings at a time. These presses are worked on a reduced pressure, say, of 25°. It is said that better results accrue from steaming than boiling, as the flavour is retained and there is less waste. The coal consumption of the boiler, to dimensions given, would be $\frac{3}{4}$ ton per week, boiler working from 7-30 a.m. to 8-30 p.m.

From an economical standpoint, all exhaust steam should go into a condenser, and, by having a small pump connection, Condenser. the water may be sent back to the main boiler for further use. This saves cost of fuel, because, instead of introducing cold water into the boiler to maintain the level necessary, the water from the condenser will be at about 80°.

The hot water cylinder is made of galvanised iron, should be tested at 45lbs. to the square inch, and capable of holding about 150 gallons of water. The water will be Hot Water Cylinder. heated by steam from the main boiler passing through $1\frac{1}{2}$ " copper coils inside the cylinder.

The hot water from this cylinder is used for many purposes.

In addition to this cylinder, a smaller one will be required, of about 30 gallons capacity, for the making of tea. This is heated in a similar way to the former, but with 1" coils.

For cooking joints, pics, tarts, &c., three large ovens, 3' x 2' will be useful. A large gas grill for chops and

**Gas Ovens,
Grill, &c.**

steaks, and a twentieth century range is an acquisition for cooking fish, chips, &c. In this range there should be four pans, 12" x 24"—two to be used for the introduction of the cold viands, and the other two to finish off. The fat in each pan at the commencement of cooking operations would be about 80°. By putting the cold victuals into one there is an immediate lowering of the temperature to 40°, and in thus using one for the first half and the other for the completion of the cooking, a great deal of time is saved. Besides these utensils, others in the form of gas-toaster, steam egg-poacher, ham-slicer, bread-cutter, and knife-cleaner will be necessary.

The pantry must be exceedingly well ventilated, and, like the kitchen, should not contain any wood fixtures or

**Pantry or
Larder.** fittings. Marble, slate, or concrete shelves, and iron rails, are the usual accessories. In the pantry a refrigerator or ice-chest will be found useful in hot weather for preserving fish, flesh, and fowl.

There should be direct communication between the kitchen and the bar, both for the transit of food and messages.

**Communication
between the
Kitchen and
the Bar.** For the former a sliding door, when contiguous, or if divided by floors, an electric or some other kind of lift; whilst the latter might be conveniently arranged by speaking tube or 'phone.

The bar ought to be divided from the dining-room by a counter, shelved underneath for the reception of glass and crockery. The top of the counter should be covered with marble, for coolness and cleanliness, and partly decorated with glass cake stands, &c.

The wall at the back of the bar might be used for shelves on which to stand teapots of different sizes, and a section set off as an ornamental sideboard. Underneath the sideboard fix lockers lined out with tin for reserve confectionery.

Other small addendum may be added as most convenient, such as enamelled trough in which to wash-up dishes; gas stoves for temporary use.

To cater for a trade on a basis of £100 per week, a large dining-room will be required. One that can, on occasion, be used for socials is to be preferred.

The Dining-Room. It may or may not be advisable to have separate accommodation for ladies. This is a local factor. Collapsible sliding partitions are the handiest means of dividing the room when required for exclusive use, and should be adopted as far as practicable.

The mode of furnishing the dining-room is largely a matter of taste, but there is a general concensus of opinion that mirrors, decorated panels, and a light cheerful appearance are absolutely necessary. Cleanliness without scruple, pure air, and without the taint of cooking, accelerate business. Tables with and without marble tops will be required, some with folding legs and others with fixed legs.

Some caterers give the preference to chairs, on hygienic grounds, for seating accommodation, whilst others prefer seats, upholstered in railway repp, with high backs and rails, which, when placed back to back, form natural divisions and serving spaces with a certain amount of privacy.

Table d'hôte dinners are not so popular with the average co-operative customer as the *à la carte*. Various methods are adopted in carrying out the latter system

The Menu. day by day. Some have cards ready printed with all the names of soups, fish, *entres*, joints, sweets, &c., but with spaces left to fill in the prices. The neatest form appears to be to run off by Roneo each day on sheets already impressed with title.

Owing to the necessity of giving a check to each customer in co-operative trading, some difficulty is experienced in finding a safe means of taking cash in the café.

Cash-Taking. In private cafés the most popular system seems to be for the assistant to pay at the bar on delivery. This certainly sharpens the servants' wits in seeing that each customer pays for supplies, but is unworkable in a co-opera-

tive café. Two courses seem open—(1) the waitress to take the money at the table, give bill to customer, who in turn *will present the bill at the desk for check*; or (2) the waitress to give bill only to be presented at the cash desk for payment and reception of check. In the latter case, during busy times, a door-keeper is necessary to see that everybody pays, unless the cash desk is so constructed as to have full command of the doorway. By the latter method, the waitress must accurately pencil the number of persons included on each bill. (See Appendix 23.)

CHAPTER IX.

Textile Departments.

HERE, again, the smaller societies would act wisely by experimenting in draperies until such times as a trade has been gathered together sufficient to warrant the starting of the department on proper lines. Great care is needed in this, as in other trades dealing with perishable and seasonable goods, on account of the loss that might be entailed by injudicious buying, either from lack of experience or a correct estimate of the members' requirements. It is usual, first of all, to set aside a portion of the grocery department for the sale of heavy draperies, such as flannels, blankets, calicoes, prints, and haberdashery; and when the trade in these has risen to an average of £25 or £30 per week, there is good reason to assume that a separate department, with a larger variety of goods, would yield an increase of 50 per cent on that amount in a short period. Even in this case, the fancy departments should be added very cautiously, and then only under expert advice and control.

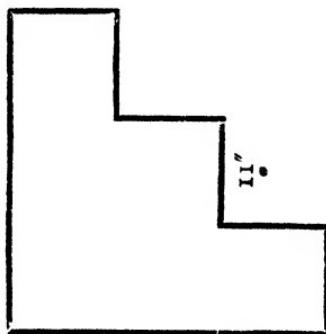
The following is a complete scheme for a fully equipped drapery department, and the items are set forth in such a manner as to be capable of progressive adoption.

Uniform with other shops in the main; the drapery window, however, should be the largest of the group, and so **Drapery Windows.** deftly arranged as to be capable of the finest display. In large establishments it is not possible to have too many windows; the plate glass should be as near pavement as safety will allow; that people may look on, not up to, the materials; and the doorway set back to permit entrance or side show. (See Appendix 24.)

The shape of the windows will form natural divisions for fittings. Window space should not be grudged—anything from six to twelve feet in depth will do, if narrower the multitudinous needs of the draper will not be served. The infinite variety of stock needs specially constructed fittings, without which there can be no degree of excellence or freshness in dressing. From six to eight brass or bronzed standards, $1\frac{1}{2}$ " thick, detachable from top and bottom sockets, are required, with double or treble sliding sockets every 14" to carry straight arms for folded materials, and bent arms for millinery. These are mostly used in open dressed windows. For close pane-dressing get teeth brackets and a plentiful supply of $\frac{3}{8}$ " brass rods. These will do for either fancy or Manchester windows.

Jackets, costumes, pelisses, &c., require special treatment—busts, 38" to 42", and infants' adjustable stands. For millinery, telescopic stands in graduated sizes. A range of cubical blocks from 12" high advancing 12" to any height, according to depth of window, to be used either with or without boards.

Where stock is limited, dummy blocks on which lengths are folded are effective, though deceptive. A handy form of terraced stand is made by frame work as subjoined—



for heavy goods. Two or three sections according to size of window.

Dressing. Window-dressing is an art requiring natural taste, resource, originality, an eye for the blending of colours, and judgment. Ticket writing should be considered as part of the operator's business. The windows should be changed every week at least once, sometimes twice, according to class of goods shown.

- Usually, in well-regulated establishments, lagging departments are detected by the dissection of accounts. Due prominence should be given to these to stimulate trade.

Observation is a useful faculty to the draper, who should scan everything, watch for change, beware of undersellers. He should not show anything a neighbour is likely to cut at. With eyes and ears he will get ideas in the street.

Too much stress cannot be laid on the necessity of having adequate ventilation both in shops and windows. Architects and builders do not seem to have perfected any **Ventilation and Sunblinds.** system. An opportunity arises here for inventive genius. Dull, streaky, beclouded panes are sure signs of defective ventilation. Condensation takes place and depreciation ensues.

A very effective method is to make provision for a current of air to pass below the window sash through a metal grating, with outlets for impurities at top of window; to these add adjustable fanlights over door way, with corresponding apertures at end of shop. As an artificial expedient electric fans are useful, but natural resources are superior.

During summer months, and in very bright weather, sunblinds with overhanging curtains about 16" deep are indispensable to protect the delicate tints of fabrics. It is not too much to say that in a few months the actual cost of providing these will have been saved in preventing the accumulation of scorched and faded stock.

Regardless of the size of a shop, a thoroughly systematic classification of stock is essential. To mix indiscriminately **Sub-divisions.** leads to confusion. The following is a safe method :-

- (1) Dresses—
Fabrics, silks, velvets, linings.
- (2) Manchester—
Calicoes, linens, prints, cotton shirtings, blousings,
flannelettes, flannels, sheets.
- (3) Soft furnishings—
Curtains, cretonnes, art muslins, tapestries, blinds,
blankets.
- (4) Gloves and hosiery.
- (5) Men's mercery.
- (6) Bandannas and fancies—
Handkerchiefs, laces, fall nets, ribbons.
- (7) Underclothing—
Corsets, chems., pinafores, children's outfits.
- (8) Haberdashery.
- (9) Millinery and mantles.
- (10) Furnishing—
All furniture, carpets, bedsteads, floorcloths
- (11) Crockery and hardware.
- (12) Wall papers.

The last three are included for convenience. Few societies have separate departments.

To the uninitiated some difficulty may arise in the matter of mapping out the requirements of the shop. Committees are liable to allege extravagance on the part of **Modelling**. the manager who has to suggest detail. It is possible to go to extremes, but the cautiousness of an executive body, generally speaking, allays any fear in that direction.

Shop fitting is a special and very extensive business. Men are constantly employed inaugurating new schemes, remodelling, and planning.

It may be taken as a safe maxim to rise at least to the standard of excellence in the district, when not expedient to go above it.

The draper, if he be an expert, will be in a position to

suggest many ways of utilising space profitably. A few observations for general guidance will be found in Appendix 25.

Observe that the old-fashioned, overtimbered fixtures are defunct. Spindles are used wherever possible, as they conduce to lightness and elegant display. Every niche and colonnade should be either draped, ornamented, mirrored, or cased for dressing.

* Stretching the full length of counters, extended on adjustable brackets firmly attached to the top of fixtures and hanging over the middle of counter, rods should be placed on which goods may be exhibited.

The size of the shop will necessarily decide to what extent these fixtures and fittings should be carried, but in the least ambitious emporium, each section could easily be represented. Experience has proved that these recommendations are particularly suited to keep stock in good condition.

Floors covered with inlaid linoleum enhance the look and bearing of an establishment.

Millinery, mantles, underclothing, and baby linen should be kept in a room apart from general drapery for many reasons. Dust arising from piece goods is undesirable, and ladies prefer privacy in purchasing these goods.

**Millinery,
Ladies' and
Children's
Outfitting
Room.** Organised on right lines and carefully conducted, these are amongst the most profitable of departments.

The fixtures and fittings bear a strong resemblance to those in the fancies. Glass showcases with sliding doors; sockets and brackets are additional. These cases must be dust and airtight. Trimmed millinery, straws, flowers, &c., nicely manipulated, are exquisite adornments. Lockers with drop leaf form the chief enclosures for stock.

Movable or stationary skeleton racks are needed on which to hang jackets and costumes.

There should be no scarcity of mirrors, millinery, blouse, jacket, and costume stands. Oblong tables should be placed

promiscuously about the room for decorative purposes. *Artificial plants and other embellishments may be added *ad libitum*.

The environments of a showroom have a great deal to do with inducing purchases ; make it comfortable, cosy, and cheerful. Provide chairs. If within means, lay green mottled carpet ; adopt the beauties of a drawing-room.

To do justice to furniture a fairly large showroom is required. Two or three rooms in which to sub-divide are desirable—(1) furniture ; (2) bedstead and bedding ; (3) carpets, rugs, and floorcloths. In the first, fixtures are of secondary consideration. Floor space intelligently classified into (a) bedroom, (b) dining-room, (c) drawing-room, and (d) kitchen commodities, economises labour and assists the customer. A good strong picture rail or cornice 38" from top of building, plugged to the wall, specially adapts itself for the exhibition of overmantels, pier glasses, and pictures.

Suitable racks for bedding ; fixtures to carry rugs; $\frac{2}{3}$, $\frac{3}{4}$, $\frac{4}{5}$, $\frac{5}{6}$, floorcloths and carpets ; with rollers four yards wide, and worked by stop cogged windlass for 16/4 linoleums or floorcloths, would complete the arrangements for this department.

Provision for hardware is of a somewhat heavier type. Pans, kettles, baths, buckets, and enamelled ware do not lend themselves to exclusive treatment, though there must be drawers of varied sizes to embody the thousand and one metal furnishings, the outside of these drawers being profusely ornamented with the respective articles contained therein.

With crockery there should be some attempt at outward show. Light open fixtures divided by columns suit dinner ware ; reflected base on bottom shelves, similarly constructed, adds greatly to the appearance of tea sets and fancy glass. Jugs and pots may be hung on hooks or rods.

Wall paper fixtures may be made in skeleton of wood, and 20" x 20" x 22".

Cases and stands for brass, steel fenders and curbs, may be added in proportion to extent of trade.

The manager must insist upon careful scrutiny of all goods received. Damp bales, broken furniture, and pilfering are **Reception and Transference** not exceptional. The porter or person receiving of Goods. should be wary and self-possessed.

With slight modification, the same books as are used in the grocery and provision department may be adopted in receiving, returning, and transferring goods. (See Appendices 2-6.) Where there is no warehouse, no excuse is valid for not checking incoming and outgoing goods.

The same strict attention should be paid to the sales over the counter. Each assistant should receive a number and be supplied with a duplicate carbon sales book and **Sale of Goods.** index, in which all sales, after independent examination, must be entered and placed to his or her credit each day. (See Appendix 26.) By keeping a weekly total book the manager is fully posted in the returns of each department, and may also gauge the relative merits of his subordinates. (See Appendix 27.) There should be a double set of books to change on alternate days.

Where no system of this kind obtains there is laxity, and assistants drift into questionable habits.

On no account should assistants be allowed to serve each other unchecked, the person in charge for the time being should be called upon to examine and pass.

The circle shown on the billhead explains itself—money tendered in payment is appended, that the amount may be indisputable; or, if paid by club, distinctly mark it so; or entry, if credit is allowed. Objection may be taken to the time and labour expended in carrying out this method; the practical man, nevertheless, will know its value. Besides, a bill must be given to purchasers; why should a copy not be retained by the retailer?

Satisfactory results of departmental working when reduced

to a question of profit and loss are mainly achieved by careful attention to the marking of goods. It becomes **Pricing**. a manager's first duty, after skilful buying, to follow the transaction through to a successful issue. He must price the goods himself. No undeviating rule can be laid down for his guidance. The marketable value of goods is very largely regulated by local competition.

There must be a practical knowledge of percentages. He must understand, for example, that one-fourth on cost yields 20 per cent on returns, &c.; and as expenses and net profits are based upon the gross sales, the percentages must always cover the returns to be reliable. Uniformity of profit is impossible.

In pricing draperies, the following points must be computed :—

- (1) Local influences.
- (2) Regularity of demand.
- (3) Depreciative tendencies,

which may be said to apply to proprietary articles, general household requirements, fashionable and seasonable goods only.

Specially-made buckram tickets, two-fold, printed on face side, are useful as marking agencies—

<i>No.</i>
<i>Merchant</i>
<i>Cost</i>
<i>Retail</i>

For references and repeats, these are exceedingly helpful.

Furniture, hardware, and crockery will always give good results. Some allowance must be made, however, in marking; that the cost of repolishing the former and the possibility of breakages in the latter are covered.

Do not fixture light delicate fabrics without protection—use plenty of stock wrappings. Dust fixtures and brush down materials regularly. Keep kid gloves away from damp, and rub over occasionally with piece of flannel. Fold silks in old creases.

Points in Stock-keeping. Do not ram goods into the fixtures anyhow—be orderly and tidy; let the stock reflect character. Beware of “thumbing the yard stick.” Count calicoes in folds. Measure accurately. Do not commit the unpardonable error of showing goods until the nature goes out of them. Prevent accumulations of bad stock. Act on the principle that a small loss is better than keeping the goods for a greater loss. Fancies, goods affected by fashion, all straws, felts, and flowers, wipe out at the end of a season. Watch the stock. Do not over-buy.

Dress millinery and mantle showroom every morning; dismantle at night. Cover racks and stands before closing.

Have a thorough systematic method of depreciation: Urge assistants to clear counters as they serve.

In many private shops trade is kept moving by the ever-recurring salvage sale. The co-operative principle is decidedly against bogus or inflated sales, but **Special Sales.** the knowledge derived from repeated trials irresistibly forces one to the conclusion that periodic efforts are indispensable to the textile trades to ensure a speedy clearance of surplus and unfashionable stock. Many of the societies conduct quarterly or half-yearly sales, commencing with the payment of dividend, which have been an unqualified success. Care must be taken not to bolster and misrepresent goods, or to buy shoddy for the occasion. Genuineness should be characteristic of trading within the movement.

Boot and Shoe Department.

The windows of this department should be somewhat similar to those in the drapery, with the following exceptions:—Smaller; raise the inside 3" above

Retail Boot and Shoe Department. lower level of plate glass; insert along the front and sides glass lettered advertising slides; have mirror on the enclosure; plenty of clear plate-glass shelves to swing on chains here and there in relief; and also some fixed at the back on brackets; get heel rests and telescopic stands for ground work. Stain the woodwork dark mahogany or dull black.

Partition shop, along or across, to separate into ladies and gentlemen's departments. The former, if anything,

Arrangement of Shop. should be the larger of the two, as all children's sizes are included therein. It may be described as the "ladies' fitting room," nicely screened off with glass swing door, neatly furnished with dull brown linoleum on floor, seats upholstered in railway repp, and flat boards 18" x 10" covered with Brussels carpet for trying-on purposes.

On the gents' side the goods should be classified, giving sections for glacé, box calf, tan, crup, E.S., button boots, and shoes; whilst the ladies' side should have fixtures set apart for lace boots, button boots, lace shoes, and button shoes.

The fixtures would be 9' high, including 12" cornice—base 34" high, divided by 9" ledge from upper part, whilst the sections throughout would be 33" x 14" x 11 $\frac{1}{2}$ ". All shelves should be at least half-an-inch from the wall, to allow current of air to pass through and dusting to be done easily. Nursery drawers may be added where possible, a convenient size for which is 16 $\frac{1}{2}$ " x 4" x 20".

The fixtures in front shop would be 31" x 12 $\frac{1}{2}$ " x 12 $\frac{1}{2}$ ".

A glass case at entrance is an acquisition : size as space will permit.

Two extremes are to be strenuously avoided—heat on the one hand, and damp on the other. It is a safe plan not to place boots much above the level of a gas jet, **Stock-keeping.** nor should they be hung on walls loosely ; pack, rather, on shelves. Most of the goods now, however, are being delivered ready boxed.

The highest priced goods should be stocked on the top shelves, prices practically fixing the position ; and on each shelf the smallest size should be put at the left-hand corner, increasing in size along the shelf. In fact, sizes should be so arranged that they can be read in much the same way as a book. When slippers are kept in drawers, it is customary to force the heel of one slipper into the body of another. This widens the slipper at the top and prevents them fitting at the ankle, and should be avoided by hanging the slippers over a rod. Heavy boots should either be stocked on shelves or in racks fixed to the walls with hooks, each hook to hold one size.

Stock must be gone through frequently, and thoroughly rubbed and dusted. Methodical review of stock on specially prepared forms should be carefully carried out, so that sizes may not run short. Some pressure should be used to get makers or merchants to enclose copy of invoice with deliveries of goods. When buying, keep a copy of orders given, and check on delivery.

This is important, and offers some difficulty to the uninitiated. Hand-sewn boots can be detected by looking at the heel seat to see if wood pegs have been used, which is almost an invariable rule. These boots, also, are generally more open at the waist than those machine made. Welted work is made on the same principle as hand-sewn, but if made by machinery they can be known by the presence of brass or iron

**How to
Detect the
Make of
Boots.**

at the heel seats, instead of wood pegs as in hand-sewn. These brass or iron sprigs are usually covered by a heel sock lining.

Standard screwed and stitched boots are obtained by screwing on ply first, then stitching firmly to sole. The presence of thread in the welt betokens the nature of the make-up, if small rings (the effect of the screwing machine) are visible on the insole.

Machine-sewn is sewn from the insole to the outer sole, and a sock lining is always inserted to cover the waxed thread on the insole.

Woollens and Ready-made Department.

There is a difference between the experience of societies in regard to the special treatment for this department. In Scotland there is a decided leaning towards incorporating the sale of these goods with the drapery goods. So far as general supervision is concerned, this may work out all right, but for the most part societies prefer to place thoroughly qualified men at the head of these departments, which is, after all, the only certain way to efficient service.

The frontage to this shop should present the same appearance as that of the drapery department. Two, or even three,

Windows and Shows. windows may be required for continuous display, one each for woollens, ready-mades, mercery or hats and caps. Mercery may be displayed in the entrance or side windows. Here, too, mixed windows are not recommended. One big show of tweeds, another of suits, and yet another of hats and caps is the most effective. The expert window dresser soon displays the master hand.

The management of these departments is sometimes kept

distinct, which, as a natural consequence, entails separate Management premises. Only large trading concerns can and other afford to do this, and the tendency in the considerations. co-operative movement is towards collective control.

One shop is then divided into (*a*) woollens, (*b*) ready-mades, (*c*) hats and caps, (*d*) men's mercery. The fixtures for the first are made $32'' \times 15'' \times 17''$, tweeds, serges, and black woollens being allocated to separate fixtures. The main considerations in this department are clean stock-keeping; the purchasing of quantities calculated in suit, trouser, or costume lengths; the estimating of price from the raw material to the finished garment; according to style, how made, and a correct appraisement of quantities, in cloth, linings, and sundries.

The fixtures and fittings on this side are in a large measure a replica of the millinery showrooms—tables, lockers, drawers, Ready-mades, and glass cases. The base of the ready-made Fixtures, fixtures should be $34'' \times 34''$, and entirely filled Stocks, &c. in with lockers; whilst the upper part would be left open at $13'' \times 18'' \times 20''$, thus leaving a margin of 14" between the two sets. By resting the top fixtures on spindles a pretty effect is given to the shop. The depth of the fixtures may, at first sight, appear abnormal, but ready-made clothing should be folded as little as possible to prevent excessive creasing.

The arrangement of stock should be, in the main, devised thus—boys', youths', men's; sizes in each class following in rotation. An indiscriminate mixing of sizes makes rapid serving impossible. The stock should be frequently brushed, and careful scrutiny should be made for old-fashioned garments, so as to effect a clearance speedily. Stocks are not now held so largely in ready-mades as formerly, on account of the growing popularity of factory-made garments, which have the advantage of being cut and fitted to measurements

of proposed wearer. Especially is this so in respect to youths' and men's wear.

Hats and caps are packed in boxes duly marked in sizes and shapes. These are stocked correctly on light racks, though often in smaller shops on the top of ready-made and woollen fixtures. This is detrimental to them, particularly if the premises are lighted by gas. Prices, sizes, and shapes should be kept in due order. This stock needs careful watching, as fashion changes quickly. All straw goods should be bought cautiously; seasons are not always propitious. The same methodical brushing up, examination, and weeding out are indispensable to freshen the stock. One particular item should be noted, and that is some sizes are more saleable than others. The buyer will find out the needs of his district from experience, and purchase accordingly.

The fixtures in this department are of the ordinary type. The main thing is to classify the stock, keeping ties, collars, pants, shirts, wool shirts, cotton shirts, &c., &c., in places by themselves, re-classifying again according to prices and sizes. Unless the assistants are constantly on the alert, disturbing the dust, changing the windows and indoor displays, there will be a large amount of depreciation. Ties fade, collars soil, and a multitude of other things happen which require earnest and constant attention.

CHAPTER X.

Jewellery Department.

THE multiplication of departments in a large society is the source of much overlapping in trade, with the result that

The Line of Demarcation. there is a duplication of stocks, which is not altogether satisfactory from many points of view, amongst others, the addition to the staff and the capital charge involved. It seems that the draper, in his haberdashery and fancy departments, covers a wide area of the trade, and what has to be determined is whether the jewellery department shall confine its scope purely to composites, or real gold, silver, and plated goods, with other allied articles herein mentioned, or become a sort of emporium or bazaar. One thing is certain, that the department must maintain its dignity as such to adequately cater for the best lines in its business. False impressions are often created by attempting too much. The tawdry must be studiously avoided, and exceptional prominence given to its stock.

Some societies include the sale of jewellery with furnishing. In this case, a part of one of the floors is screened off for the purpose. But it is not altogether a desirable arrangement, excepting under unavoidable circumstances. It cannot be too strongly urged that specialisation, when other points are equal, is one of the secrets of commercial success. Subsidiary departments nearly always receive scant treatment, because pushfulness is only applied by the one who not only knows, but has his heart in the business. The attention to stock necessary in the jewellery trade is more than a man of many parts, even, can concentrate his energies upon.

The frontage should be in harmony with the others in the block of buildings, presuming that they are of modern construction. Low plate-glass windows, with the finest wood frame possible; but the doorway should be set back more than usual to allow for 6' or 8' side windows. Whilst the windows are made so high, for all practical purposes only about three-fourths are required for dressing purposes. The two windows would have separate uses, each specially equipped to render the most tasteful display, and completely cased in at the back. Whatever an amateur might do in regard to the supply of fittings for some of the shop windows, any attempt in that direction with a jewellery window would be a signal failure. Only specialists know how to utilise a given space to the best advantage. Those terraced stands, with velvet cushioned trays, properly divided, sectioned, and made in a particular way to carry and set off each class of trinket or jewellery, are the work of an expert. Each tray is made so that it can easily be withdrawn from the back without disarranging the rest of the window. The front and the return end to shop may be uniform. The other window is usually adapted for heavier goods—timepieces, plate, &c., at the front and side; convertible, however, for any side-lines which may be included in the department.

The ground space may be divided in this way—front shop (not too large); eye-testing room; large safe, built in the wall, in which to store valuables; workshop for repairs.

How to Divide the Shop and what to Know. One counter, nearly the length of the shop down one side, is the usual method for serving space. This counter ought to have a plate-glass front, and a plate-glass case on the top equal to its length and breadth, from 6" to 9" high, with short side openings behind the counter. The wall at both sides should be completely covered with glass cases, dust tight, and

having ball-bearing sliding doors. The return end of the shop would also bear the same appearance, though 4' or 5' from the wall, to allow for fixtures, &c. Each case will require either rods, glass shelves on brackets, or some other fittings to display the stock.

An Excise license for the sale of plate will have to be procured before commencing business.

Gold and silver are rarely sold in a pure state. Owing to the softness of the natural product, a small quantity of **Gold and Silver Standards.** baser metal is added to make them harder and more durable. This opens the door to fraud,

and to obviate that, certain fixed standards have been laid down by which the assaying and marking of certain gold and silver articles is compulsory, though the control is in the hands, mostly, of the Goldsmiths' Company, London.

Pure gold is denoted by the 24 carats standard, but in the *United Kingdom* 22 carats, 18 carats, 15, 12, and 9 carats are allowed, but there must not be less than one-third of pure gold, as the above marks signify. Thus, 18 carats is composed of 18 parts of pure gold alloyed with 6 parts of copper or silver; 9 carats, 9 pure gold and 15 parts alloy. Greenish coloured gold betokens the presence of silver; red gold that of copper.

The lowest standard for silver in Great Britain and Ireland is 11oz. 2dwts. per lb. troy. Troy weight is used for gold, silver, platinum, &c., but diamonds and pearls are weighed by carats of about four grains each. A troy ounce is equal to 150 diamond carats.

The mark of Goldsmiths' Hall is fixed after assay in London, Birmingham, Chester, Edinburgh, Sheffield, and Dublin. The marks for silver of 11oz. 2dwts. **Hall Marks.** in England generally is a lion passant; in Scotland, a thistle and Britannia. For gold, the figures vary according to the quality. On 22 carat the figures are 22;

on 15 carat, 15 and an additional shield with .625; on 12 carat, 12 and .5; on 9 carat, 9 and .375. In addition to those marks, for both gold and silver, there are (a) the maker's mark and his initials, (b) a letter to denote the year in which the article was made*, and then follows the distinctive crest of the examining town—London, a leopard's head; Birmingham, an anchor; Chester, three wheat sheaves and a dagger; Edinburgh, a castle; Sheffield, a crown; and Dublin, Hibernia. This will give some idea of the marks:

SILVER.



1. Lion.
1. Standard Silver.
2. Leopard.
2. Marked in London
3. Letter.
3. Year, 1878-9.

GOLD.



1. Crown.
1. England.
2. Quality
2. 22 carat.
3. Leopard.
3. London.
4. Letter.
4. Year, 1895.
5. Initials.
5. Maker's Initials.



Old gold and silver might be bought in part exchange for new articles, or sent to silver or gold smiths to be wrought into a selected design. The standard price for gold is 77s. 9d. per oz.† It does not fluctuate in value so much as silver, the current rates for which must be followed by a perusal of press notices. E.P.N.S. are letters used on electro-plated goods of the best quality, that is, plating on nickel-silver: E.P.B.M.,

* See Appendix 28.

† Old gold 2d per dwt. per carat.

meaning an inferior plating on bright metal. The former has a clear ring when struck, the latter a heavy ring.

The stock will have to be thoroughly sorted, apportioned to definite positions, and kept without stain or tarnish. This can only be accomplished by systematic overhauling.

The safe, or strong-room, may be either a large safe of approved make, burglar and fire proof, or a room entirely protected with steel top, sides, and bottom, and **The Safe.** with heavy safe door. Shelves and drawers would be placed inside to receive the stock.

The back section of the shop would be divided into two sections, one for workshop and the other for optical department.

Workshop and Repairs. The former would require strong lights for the workmen, who sit close up to benches constructed on the tray plan, with small divisions to carry work in hand. Gas jets will be necessary for each workman for soldering, tempering, &c. The tools required are not costly—small lathe, neat screw-drivers, bi-convex lens eye-glasses, ring pounder, &c., &c. Only the ordinary repairs would be attempted in this workshop, as engraving (excepting initialling) and making or setting of jewellery form part of the work of craftsmen in certain centres.

Repairs must be passed through the front shop; and a consecutive sorting number given to each item taken before handing over to the workmen. A slip should also be given

No.....

WATCH LEFT BY

Name

No.....

.....

*Watches and Clocks of every description
Repaired and Cleaned.*

Descriptn. Watch

JEWELLERY REPAIRED AND ELECTRO PLATE
MADE AS NEW.

Date..... To Pay....

NOTICE.—To prevent mistakes this Ticket must
be produced on application. No responsibility
can be entertained should it be lost.

Slow Fast

PERFORATE HERE

to the customer, bearing the same number, for presentation at the time the work is completed. Full particulars to be entered into shop book.

This particular branch of the business is worth cultivating, and the only way to do so is to have none but fully qualified watchmakers in the workshop.

Owing to the repairing department being too small to show the accounts separately on the balance sheet as one of the productives, the wages of the men, which are either determined by piece or time wcrk, are included with the distributive, hence the expenses per £ for wages will appear larger than in the other departments.

During recent years, jewellers have applied themselves, and with marked success, to a study of the science of ophthalmology, which may be described as a knowledge

Optical Department – the Man and his Credentials. of the eye, anatomically and optically, the defects to which it is liable, and the proper adjustment of glasses for its correction and relief.

A committee would have to look out for bogus certificates—those supplied by spectacle makers, *ad libitum*, to ensure the sale of their goods. The only certificate of value is that earned by examination such as shown in the prospectus of the Worshipful Company of Spectacle Makers. This includes mathematics and arithmetic, general and practical optics, visual optics, and sight testing--altogether a severe test, comprising three examinations, oral and written. Without credentials of this kind a society might dabble in spectacles, but a scientific knowledge of curvatures, laws of reflection, refraction of prisms, and the defects tabulated as presbyopia (old sight), hypermetropia (far-sightedness), myopia (near-sightedness), astigmatism (irregular sight), asthenopia (weak sight), diplopia (double sight), &c., is urgently necessary to give the best relief possible in each instance. Even then, some care has to be exercised in not usurping the functions of the medical faculty.

This room should be so arranged as to permit it to be thrown into complete darkness at any time of the day. The accessories would be adjustable tables, adjustable lights, prism text and type charts, placido discs, point measures, ophthalmoscopes, retinoscopes, and a trial case (the most important of all). The cost of these would be from £15 to £20.

The Testing Room. Prescription book, forms and cards would need to be specially typed for use in this department. But by far the greatest trade is done in refitments, frames, **Sales.** cheap glasses easily fixed up from standard sizes, and by being in direct contact with smart grinders and makers of glasses to cater confidently for specials made to prescription.

Opera glasses, telescopes, microscopes (large and small), magic lanterns, and a host of other lines might be added to this section of the department, where there is a possibility of doing a trade in them.

CHAPTER XI.

The Coal Depôt.

THE sale of coal is one of the most profitable ventures into which a society can enter, but it does not fall within the scope of every society. Local industries have

First Consideration. to be considered somewhat, or the conditions prevailing in the neighbourhood may be such as to entail some risk. In most of the colliery villages and towns coal is supplied to the miners free of charge, save a nominal inclusive charge for rent and firing. This would necessarily lead to some attention being given (1) as to whether the other section of the population in the neighbourhood influenced by co-operative principles would make it worth while to attempt the sale of coal, and (2) whether terms can be made with the colliery for supplies to compete with local prices.

In the event of a society being situated in a mining centre, no special accommodation need be made, because the coal would be led from the company's screens.

Varied Accommodation. Districts vary in their methods of selling coal, and that is one of the main factors in deciding how the depôt shall be arranged, and what land will be required to meet all the requirements. The following are some of the leading features adopted by societies :—

- (1) Coal depôt or landsale, alongside railway lines.
- (2) Coal wharf, by the side of a river, with similarly constructed storage to No. 1; and
- (3) Coal sidings, on railway company's lines, with office box only.

This latter method of dealing with the sale of coal prevails in many parts of Great Britain, and appears to suit the districts admirably. The railway company has lines set apart exclusively for coal traffic, and sidings for handling. The company's own wagons may or may not be hired. Many of the larger societies find it more convenient and more profitable to have their own rolling stock. The main question is regularity of supply to meet the demand, and carefulness in buying, so that demurrage charges might be kept down to a minimum.

By far the most popular way of dealing with coal is that of having a properly constructed dépôt with appurtenances.

The summary here given, and the plan in the **The Coal Depot or Wharf.** Appendix, illustrate the provision necessary to

cope with a combined bag and bulk trade. It need scarcely be pointed out that coal is often sold in bags only, whilst the same may be said in regard to bulk—that is to say, by the cart load, which varies from 20cwt. to 25cwt. Some societies, however, combine the two methods in the dépôt—one to meet the wishes of the poorer members in selling by the hundredweight, and the other those who can purchase a load at one time.

With but slight alteration to the plan, either of those methods can easily be apportioned to fulfil local demands.

It is first of all necessary to procure a piece of land alongside of the railway company's lines, or by the quayside. This will either have to be rented, leased, or bought. The size of the plot will have to be large enough to give space for—

- (a) Gantry or shed over stock coal storage.
- (b) Bunkers.
- (c) Office and weigh-bridge.
- (d) Cart shed and lavatory.
- (e) Moving carts about conveniently.

(See Appendix 29.) In some coal depôts the gantry and bunkers are dispensed with, "roundy" being stacked, and "smalls" heaped.

The railway line, or wagon way over the bunkers, will have a slight gradient from the inlet to the outlet onwards, so that the wagons, full or empty, might be easily moved about. When a through track is impossible, a separate return track must be provided. The height of the track will be 14' from the rails to the base of the bunkers, and the bunkers about 13' wide. This makes the coal dépôt 14' or 15' below the level of the lines. The gantry or shed is merely a covering over the bunkers to give protection in bad weather.

In a mixed trade the bunkers will be divided into sections for different qualities—some constructed for a bag trade, others for bulk trade. Roundy coal might be banked up in the bunker, but it is usual to divide the bunker by having a receptacle to catch the coal from the wagons, and graded in such a way that the coal can be shot into the cart by opening a trap door controlled by a lever. This is the quickest and readiest method of loading; besides, the bottom of this shoot is so constructed as to act as a screen through which all duff passes into the recess below. The receptacle will hold about 10 tons of roundy coal and up to 12 tons other sorts.

The bag trade is facilitated by using these bunkers. A beam scale is fixed a little below the end of the shoot, and with the bag resting on the scale, and the mouth of it at the opening of the shoot, the coal is dropped in and weighed at will. The old style of tip scale on swivel is now obsolete. The labour in filling the scoop, and thence the bag, is entirely obviated under the above system.

The section of the line set apart for the use of the coal dépôt should have sufficient accommodation for at least one day's empty wagons.

The cabin and weigh-bridge should be situated near the exit from the yard. It need not be an elaborate structure, but fitted inside with desk, drawers, and fixtures suitable for office work. The indicator of the weighing machine would also be fitted immediately in front of the window, in full view of the weigh-bridge, which should be large enough to accommodate both horse and cart.

Owing to the sale of coal coming under the jurisdiction of the local authorities, the office staff will have to be exceedingly careful in this matter of supplying coal by weight. The tare of horse and vehicle is first ascertained, and the gross and net weight tabulated on the delivery note. (See Appendix 30.) It must be noted that a horse will lose 7 to 14lbs. weight after the first load delivered, and that during wet weather there is a possibility of the tare increasing. Some allowance, therefore, has to be made for these contingencies—7lbs. to the ton seems to be the custom of the trade in regard to leakage.

The person in charge of the coal dépôt should be fully acquainted with the law in regard to the sale of coal. (See Management, Weights and Measures Act, 1889, Legal Section.)

Sales, and Qualities. Some ability in organising is needed to develop a good trade. Reply post card or personal canvass is often done. Orders may be taken by telephone, but by far the most trade will be that obtained through the central or branches. A small commission given to the shop towards its profits is an excellent stimulus to the staff to induce trade. Complaints respecting the quality of coal should be promptly attended to, and the house visited to inspect the ash, if possible.

Coal is rarely delivered on credit. Though there are coal clubs, one must not confound them with other club systems, as the money is paid to value before receiving any supplies.

Always keep the coal sales separate from other depart-

mental accounts, by having a special coal order and check book. The order book to duplicate for reference.

In the bag trade the deliveries will be regulated largely by district requirements—once or twice a week, or even daily. Treble nuts seem to be the best quality for this trade. A little extra price is put on the half cwt. bags, above the bulk price, to meet the extra cost of delivery. Small scales must be carried to weigh on demand. A rolley will carry from 1½ to 2 tons of bag coal, according to the strength of the horse and the roads in the district. Two horses might be necessary with bad and hilly roads.

There are many classes of coal, and each district has its own peculiar name for the seams from which the coal is taken. As an example, the qualities are graded somewhat in this manner :—

- (1) Best Round Households.
- (2) Treble Nuts.
- (3) Household Seconds.
- (4) Double Nuts.
- (5) Single Nuts.
- (6) Slake or Splint.

The quality of coal is determined by its cleanliness in burning and its freedom from white ash and slate. Some amount of cleaning and screening will have to be done at the dépôt, especially in the best qualities.

The buyer will have to watch the markets very closely, as coal fluctuates very much in value. Collieries have different methods of contracting and supplying coal to merchants. Some insist upon all communications going to their "fitters" (agents), others will make terms direct. The prices are nearly always quoted delivered, and it is best so, as the owners can command special terms.

CHAPTER XII.

The Conduct of a Laundry.

AMONGST the newest ventures in the co-operative movement the organisation of laundries has taken a prominent place.

Necessary Considerations in the Formation of a Laundry. Unlike the ordinary departments which come within the sphere of a society's operations, it would be impossible for any but the largest societies to succeed with a laundry. A fairly

large capital to meet the initial cost for land, buildings, plant and rolling stock, and a membership likely to produce a trade of £100 per week are of the utmost importance. It is estimated that it would take 3,000 weekly parcels to arrive at that sum, and as, for the most part, custom is regulated on the fortnightly basis, anything from 5,000 to 6,000 loyal supporters would be needed to continue the work successfully. It is true that in some districts, where female labour can be more profitably employed in textile and other industries, the use of a laundry forms part of the domestic economy. Apart from these considerations, however, the trend of co-operative opinion is towards federated or laundry associations, owned and controlled by societies.

A Federated Laundry. By adopting the federal principle the possibility of success is enhanced, assistance to smaller societies offered, the evils of overlapping avoided, and more economical management secured. Societies in sections or given areas could amalgamate, formulate a prospectus, and draw up rules for the administration of the organisation, the basis of which might be as follows :—

- (a) Shares to be held exclusively by registered co-operative societies.
- (b) Each society to take shares in proportion to membership.
- (c) Interest on share capital to be not more than 5 per cent.
- (d) Provision for loan capital at $3\frac{1}{2}$ per cent.
- (e) The business to be controlled by a representative committee elected by shareholding societies.
- (f) Trade to receive a working commission.
- (g) Surplus profit, after meeting current expenses, depreciation, &c., to be divided *pro rata* on trade.
- (h) Collection and delivery depôts to be established in localities, or an allowance be made to societies undertaking this work.

There are certain natural conditions which ought to be contemplated in setting down a laundry. The site must be

Selection of Site. specially selected, and embrace (1) plenty of air-space, (2) large plot for extension, (3) close proximity to adequate water supply, or where a well could be sunk, (4) within easy distance of the area it is proposed to cover, or having good railway facilities, (5) and in a district where the demand for labour could be met.

The following outline is for a laundry capable of doing a trade of £100 per week. For size of plot and style of building suggested, see Appendix No. 31.

It is erroneous to imagine that any building can be improvised for a laundry, because competition demands adaptability and a certain peculiar construction **The Building.** to facilitate the work. The main building would be on the ground floor, built in bays, with ridged glass roofs that will provide ample light; van sheds and stables adjoining. A front elevation might be given for board room, &c.

By law, special attention would have to be given to

drainage and ventilation; for, coming within the provisions of the Factory and Workshop Act of 1907, (a) a fan, or other means of proper construction, must be provided, maintained, and used for regulating the temperature of the ironing room, and for carrying away the steam in every wash-house in the laundry, and (b) the floors must be kept in good condition and drained in such a manner as will allow the water to flow off freely. (See the complete amendment of the Act of 1901 in the Legal Section—Factory and Workshop Act.)

A well-apportioned laundry would be sectioned in this way :—

- (1) Office.
- How Divided.** (2) Receiving and sorting room.
- (3) Wash-house.
- (4) Machine ironing room.
- (5) Hand ironing room.
- (6) Boiler shed.
- (7) Engine and drying room.
- (8) Stores.
- (9) Packing room.

A mess room and kitchen would be needed if the laundry were far from the homes of the employés. As the particulars concerning the use of some of those rooms are not very well known, a few of the most important details are here given.

Method and accuracy are most important items in this room. The vanman deposits his load of dirty linen, which is taken over by a number of young girls, who

Sorting Room. check, mark in ink or ingrain cotton*, and sort

* This system of marking makes it necessary to avoid curves in the figures, and is generally planned—



the articles ; then proceed to place them in bins properly classified (due regard being given to the distinctive nature of the garments), taking care to see that those fabrics having colours with the slightest suspicion of running are placed on one side to be separately treated.

The person receiving in the wash-house should also be a further check on the sorter, otherwise claims for compensation might become troublesome.

The Wash-House. In this room there would be placed—

- (a) Four metal washers (two with a capacity for 120 and 200 shirts respectively).
- (b) Two hydros. (drainers by pressure)
- (c) Six washing troughs.
- (d) Steeping tank.
- (e) Tumbler.
- (f) Starchers, soap boilers, &c.

The goods are deposited in the washers according to classification, and the whole process of washing, boiling, rinsing and blueing is completed before they leave the machines. From the washers the clothes pass on to the hydros., which extract the water, merely leaving the articles in a moist condition ; thence they are transferred to the tumbler to remove any marks that may have been caused in the hydros. For the better class work, or the treatment of valuable laces, &c., the hand wash troughs are used.

The line of demarcation is again drawn at this stage in the reclassification of the goods for finishing processes—

Drying Closet. sheets, bed and table linen going direct to the large ironing machines, while the major portion of the other goods are sent to the drying closet.

This closet is simply many clothes-horses closely packed together, which draw out at will, and are heated either by steam coils underneath the drying horses, or radiators between each two horses, or, again, by a hot blast patented

system (air heater, fan and counter shaft). It is claimed for the latter system that it is quick, and will dry as fresh and as pure as the open air.

In this room, as the name denotes, all the machinery for ironing purposes is situated. The machines for napery are

Machine Ironing Room. heated by steam, but those for finishing collars are heated by forced gas and air supply. The various articles are collected from the tumbler and the air-drying room to be finished for packing. A 108" or 120" calender or ironer is used for touching up the sheets, tablecloths, serviettes, &c., whilst collars, cuffs, shirts and blouses pass on to other types of machines. These machines are—

- (1) Starching troughs and wringer.
- (2) Collar and cuff dampner.
- (3) Collar and cuff ironers.
- (4) Collar curler.
- (5) Body ironer.
- (6) Gofferer.
- (7) Puff iron

The treatment of starching apparel may be under one of two systems—(a) hot-water starch, which is most economical, makes linen stiff and gives an excellent finish; or (b) cold-water starch, that most nearly approaches newness, but does not make the goods stiff or so glossy as the former method.

The ironing in this room is somewhat of a different order. Gas and air-burning irons are mostly used, and the work is

Hand Ironing Room. such as does not lend itself to the use of machines—ladies' dresses, skirts, children's coats, pelisses, sun hats, bonnets, &c., which receive the deft touch of the expert ironer to make them neat, graceful and wearable.

It is important that all stoves for heating, if the old style is adopted, be sufficiently separated from the ironing room, and gas-irons emitting any noxious fumes discontinued.

or the laundry will come under the ban of the factory inspector.

The Packing Room. Lastly, we arrive at the packing room, where all the goods are collected, checked with the customers' book, packed and put on the racks awaiting the advent of the vanmen for delivery.

The Staff. There would be a manager to supervise all the manual work, and whose time would be partly employed in secretarial work ; a manageress, to superintend the ironing rooms ; an engineer, to keep the machinery in order ; vanmen and boys, to deliver to customers ; men or strong women in the wash-house, but women would be mostly employed in the laundry in different grades.

It is estimated that from 40 to 50 per cent of the returns are spent in wages.

This is rather a difficult problem, because most of the items which comprise a laundry are subject to great variation.

Capital Required to Start a Laundry. Land, for example, may be either cheap or expensive, and the cost of the shell of the building will altogether depend upon the method of construction. A fair computation would be—

Land and buildings	£2,500
Machinery.....	2,000
Live and rolling stock	500
	£5,000

In addition to this, should the water be hard, a water-softener would be needed, at a cost of from £150 to £250.

Depreciation. Although the life of machinery in a laundry would be more than ten years, it is advocated that the depreciation should be at the rate of 10 per cent per annum, on account of the many changes and improvements that are constantly being introduced. Some laundry

owners prefer, however, the $13\frac{1}{2}$ years as a basis, at $7\frac{1}{2}$ per cent.

Most of the best laundries find that extra trade and profit are derived by adding carpet-beating, dry-cleaning, and even dyeing to the work of washing and ironing; but these must follow the development of trade and when the members' sympathy and support are secure.

**Additional
Trading
Possible.**

CHAPTER XIII.

Lighting and Security against Fires.

SHOPS built on the plans already laid down will be excellently provided with natural light, but the installation of artificial light is not so easily decided.

The Lighting of Shops. Modern developments in illuminants make it inexcusable for a society's premises to be badly lighted. Without a very great deal of care a large amount of money may be wasted by needless experiments.

Where possible, it is best to have a practical demonstration of the value of a light before acceptance. Among the various agencies there is keen competition for excellence, and there is always a disposition to demonstrate the peculiar merits of their particular system.

There is little question nowadays as to which of the many lights is best for shop use. Experience has proved that for cleanliness, conservation of stock, retention of electric. . . the purity of air, brilliance, and minimum of fire risks, electricity cannot be beaten. The only hindrance being that it is not always procurable, and its price is sometimes prohibitive. For outside illumination some form of the arc or carbon is best, whilst indoors the incandescent carbon thread light is recommended.

Of late years ordinary coal gas lighting has been materially improved by the invention of the incandescent mantle.

Gas. Where electricity is not available, this is perhaps the best substitute that one can find. Some attention will have to be given to the make of lamp before

adoption. The size of shop and the price of gas will suggest the most economical.

In connection with electric light and motive power the following should be kept in mind :—

- Precautionary Measures.**
- (1) Only slate or porcelain bases to be allowed in connection with switchboards.
 - (2) No two poles to be permitted on the same switch.
 - (3) Space behind a switchboard to be easy of access, so that any defect may be promptly discovered and corrected.
 - (4) Distributing boards should be insulated between each circuit and between each pole.
 - (5) Conducting wires should under no circumstances be fixed up with staples, and no naked wires allowed.
 - (6) Pendant wires should not be permitted to run at right angles to gas pipes, or iron, steel, or brass rods, when there is sufficient vibration to bring the wires in contact with such pipes or rods, unless the latter at the point of contact are encased in rubber.
 - (7) Before changing lamps see that the switches are shut off. The oversight of this is a frequent cause of fusing.
 - (8) All motors should be fitted with earth wires and, if practicable, with Rehostat starting switches.
 - (9) Care should be taken that the bearings and armatures of motors are kept clean and free from combustible material.

Some attempt is being made to popularise this form of lighting, and invidious comparisons are sometimes made between it and electricity. It is true that

Acetylene. Acetylene is soft and diffusive, offering no obstacle to the matching of delicate tints in a draper's shop, for example; but its malodorous nature, being generated by the action of water on carbide of calcium, is extremely

nauseous. The gas generator should be in a separate building, and, if possible, detached from the rest of the premises ; and a special compartment provided and protected against damp, for the storage of carbide of calcium.

The method of lighting by vapourising lamps should always be avoided when the vapouriser or the oil container is attached to the lamp or fitting, and particulars of any other vapour lighting installation should be submitted to the insurance society before its introduction is decided upon, as special precautions are necessary.

Vapourising Lamps. Whatever lights are used, the head shopman should be continually resorting to the meter to check waste, and finally to compare with account when presented.

Amongst other matters of detail to which a manager should give his personal attention is the one relating to fires—their prevention and extinction. Many fires are

Carelessness and Fires. undoubtedly caused by the carelessness of assistants who neglect to clear away refuse of various descriptions. The manager must keep a watchful eye upon all nooks and corners where accumulations may grow, especially in the neighbourhood of stoves, ovens, furnaces, and heating pipes. Care should be taken that the premises are thoroughly examined before being locked up for the night. Remember that the way to examine a building is not to go into it, striking a loose match to see if there are any signs of fire, and then to throw it away indifferently, afterwards locking the door with a feeling of satisfaction that one's duty has been done.

Safeguards. When premises are heated by open fireplaces, fenders should be provided. If gas stoves are used, they should be fixed well clear of all unprotected woodwork, and fitted with metal feed pipes. Coal or coke stoves should rest on iron dishes or on stone slabs, the smoke pipes made as short as possible, and vented direct into brick

chimneys. There should be no woodwork contiguous to the coal or coke stoves or their smoke pipes. Under no circumstances should these fires or stoves be used for the destruction of rubbish. Let there be a properly constructed furnace, outside the premises if possible, and see that it alone is used for this purpose.

Oil lamps used for ordinary lighting purposes should be suspended by chains attached to hooks securely fastened into the ceilings. If fixed to the walls, nails with hooked heads should be used. Lamps should be cleaned and replenished at the oil house. Locked lamps, burning vegetable oil only, should be used by watchmen, or for examining or oiling machinery or making repairs.

All electric lights and gas jets should be carefully switched off immediately they are no longer required. We must remember that a fire, no matter what amount of insurance may be on the place, cannot and will not pay the insured. Insurance companies are only liable for actual fire damage, and can make no allowance for consequent loss and the inevitable dislocation of business which must occur, which is often greater than the value of buildings and stock.

As a protective agency, of late years many of the larger societies have had their premises fitted with installations of automatic sprinklers—an appliance which is now very generally adopted in all sorts of shops, warehouses, factories, &c., throughout the world. These sprinklers are really water taps (see Appendix 32), which are held closed by means of solder arranged to fuse or melt as soon as the temperature of that particular part of the room rises to a given point, usually 155° . These taps are attached at regular intervals to properly graded water pipes, which are kept charged with water from the public mains.

Now, immediately a fire breaks out, the temperature of the room rises and melts the solder, thus liberating the water,

which is distributed over the seat of the fire in the form of heavy rain. At the same time a bell, actuated by the water passing through the pipes, begins to sound an alarm, thus making the fact known that there is a fire burning somewhere on the premises. The whole arrangement is automatic.

In addition to giving almost perfect security to the building in which these sprinklers are installed, they have the further advantage of materially reducing the insurance premiums, for all companies allow substantial rebates where they are adopted.

Another appliance of much usefulness in the early stages of a fire is the chemical extincteur, with which a fire may often be extinguished if caught before it has time to spread. Extincteurs have the advantage of being easily manipulated and of doing very little damage to stock. It is in this respect that they are much better than hose pipes, which cause a terrible water damage and mess whenever used.

In some business premises an outbreak of fire in any given centre is made known by an automatic alarm, which acts where assistance can be rendered speedily.

There can be no doubt that any reliable appliance which will give early warning of, and locate an outbreak of fire should be an effective means of reducing loss.

Automatic Fire Alarms. It is claimed that this need is met by the "Thermostat," or "Heat Detector." In this appliance an alarm is given by the heat acting on a sensitive metal strip, causing expansion, and thus closing an electric circuit. It can be so set as to give the alarm at any temperature, and the alarm can be given either locally, or to the fire station, or both. The system is entirely automatic.

The value of this method of fire alarm is acknowledged by insurance societies, who allow a discount when installed in accordance with their rules. The systems recognised are the following :—

- (1) Pearson's Enclosed Type Thermostat (marked A 1906 and A B 1907, with year of manufacture).
- (2) May-Oatway Thermostat (marked A), with either vertical plumbago or horizontal sealed mercurial contact makers.
- (3) Expansion Pneumatic Thermostat (marked A).
- (4) Fox Thermostat (Marked Fox 1906).

Large societies would be well advised in training sections of the employés as fire-brigade men, no matter what system is inaugurated—sprinklers, hose, or hydrants.

CHAPTER XIV

Hints on Fire Insurance.

THE successive additions of new departments and new processes, and the corresponding increase in the number of persons employed, increase the risk of fire. The **Fire Risks.** larger the building, especially if square, the less the likelihood of a fire being discovered immediately at its origin, and the greater the difficulties of method and of water supply in dealing with it after discovery.

The great number of total losses by fire in very large buildings, even those in so-called non-hazardous occupations,

The Construction of New Buildings should influence co-operators when about to erect new central stores. Not square buildings, nor high ones, but long ones should be preferred, considered.

and these should be subdivided as much as may be reasonably practicable by party walls rising through and above the roofs. It is generally convenient to be able to pass from one department to another without going into the open air. The only way to retain this convenience without subjecting adjoining buildings to the risk of fire from each other is to have a fireproof compartment between. This compartment should be at least six feet wide, built up from the basement entirely of solid stone or brickwork, with stone or brick arched or iron and concrete floor and roof, having the opening at each end protected by a fireproof door. If practicable the doors should not be directly opposite to each other.

When the shape or the plot of land is such that the required

buildings cannot all be built in one line, they should be built in parallel lines. If gangways are needed from one block to another, and these blocks are not less than ten feet apart, such gangways may be allowed, provided they are built entirely of incombustible material, with a fireproof door at each end.

Though there are various considerations to be taken into account in fixing the rates of premium for the insurance of co-operative stores, the most important is the **How Insurance Premiums are affected.** number of persons employed. When the premises are separated as described above—by internal fireproof compartments or external fire-proof passages or gangways of the required length—only those persons employed in each building so separated are counted when fixing the rate. But if the buildings communicate with each other directly or indirectly, otherwise than as described above, all the persons employed in all the buildings will be counted when fixing the rate.

These depend upon conditions of risk, which are so varied in different places that to specify any rate would be misleading. It may, however, be mentioned

Rates. that for the grocery trade a lower minimum rate is charged than for drapery or furniture or a kindred trade; and that special rates are charged for (a) the sale of mineral oil within business premises; (b) clothing manufacturing for other than bespoke trade when power is used or more than 25 persons are employed; (c) boot and shoe trade with manufacturing when more than 30 persons are employed; (d) grain crushing or grinding when the products are for sale, and otherwise than exclusively for the supply of the insured's own establishment. Whenever a more hazardous trade is carried on in conjunction with a less hazardous, the higher rate applies to the whole. For this reason, as well as for the one mentioned in the preceding paragraph, it is **advisable** to have separate premises for distinct trades **in**

the amount of business done, or likely to be done in the immediate future, will justify the arrangement.

Much misunderstanding exists in regard to the meaning and operation of the condition of average. The principle underlying the clause is that the insurance firm only undertakes to pay such a proportion of the loss as the sum insured bears to the value of the property at the time of a fire. This arrangement, therefore, constitutes the insured his own insurer for the difference, and thus he must share any loss proportionately. For example, if a party insures for £1,000 that which is worth £1,500, and the insurance is subject to the *pro rata* condition of average, and a fire breaks out doing damage to the extent of £600, the insurance firm is responsible for two-thirds, viz., £400 ; and the remainder of the loss, viz., £200, falls upon the insured. It should, however, be explained that the condition is seldom applied, except when a proposer having goods in two or more separate buildings, and on account of the fluctuating value of the stock in each desires to have the whole covered by one amount. Naturally, he thinks there is no likelihood of two separate buildings taking fire at one time, and in consequence his inclination is to insure only for the value of the average stock in any one of them. By this means he would practically get the whole covered for the premium which would be required for one risk. To this the insurance companies, in effect, say "No ! if you want to be able to recover in full, you must insure each risk under a separate item ; or if in one item, for a sum that will fully cover the aggregated stock."

A special form of the condition of average is generally applied to the insurance of agricultural produce, or in other

Special Treatment of Agricultural Produce.

farming stock included in the same item, but the condition only becomes operative when the amount of insurance is less than 75 per cent of the value of the property insured. •

The Importance of having Separate Premises. It is advisable to separate the buildings containing hazardous goods, or in which any process of manufacture, however simple, is carried on, from the buildings used for the storage and sale of goods. It is also advisable, wherever practicable, to separate buildings used for warehousing goods from those used for the retail sale of them. The best course is to have them securely detached from each other.

Losses paid out of Premiums. As all fire losses paid by insurance companies are, in the long run, paid out of premiums, and as the premiums form part of the retail price of goods, the public should feel an interest in the construction and security of their shops, warehouses, and factories.

What Experience Teaches. The experience of the Co-operative Insurance Society and other fire offices shows that after the completion of stock-taking many fires occur. At such times there is likely to be more litter and refuse than at

any other time, except when new stocks are being received. Particular attention should be given to the need of clearing away all untidiness resulting from stock-taking before beginning to unpack newly-delivered goods. Packing and unpacking in straw should be done outside the building whenever practicable. It should never be done in the neighbourhood of naked lights, fires, stoves, or furnaces. It is important that clearing and tidying should keep pace with unpacking, so that there may be the least amount of deviation from order and tidiness.

CHAPTER XV.

The Centralisation of Cash, and Check Systems.

THERE are many reasons that may be adduced in favour of the centralisation of cash, whether mechanical or otherwise.

- Arguments in favour of Centralisation.** (1) It reduces "shorts" to a minimum.
(2) It economises the time of assistants, and
(3) Facilitates business.

Under the first heading the experience of a large North of England society is worth noting. By a system of centralisation it had only 8s. 8½d. cash shortage on a turnover of £27,964 in three months, notwithstanding 78 assistants transmitted and four cashiers handled the money.

Individual cash tills increase the risk of defalcations, and place temptation oftentimes within easy reach. Where this method is in vogue the society will always be in trouble with its assistants over "shorts," and all sorts of stringent regulations will be promulgated for guidance.

Cash taking in private employment is rarely included as part of an assistant's duty.

A great deal of an assistant's time is needlessly diverted from the direct business of serving in lapses of cash-taking where allowed, that might be of more benefit to a society by the extra attention that could be devoted to customers and the goods he is selling. As a rule assistants have an aversion to cash tills, and very few are really expeditious in giving change. This can only come by repeated practice and undivided attention to the work.

For the guidance of the manager a few remarks here, as the result of stringent inquiry on the legal aspect of "shorts," may not be inappropriate, and as committees are sometimes apt to pass rather severe resolutions on a policy which brings condemnation upon themselves, this information may also be of benefit to them.

- A Warning about Short Cash.**
- (a) That if a shopman's cash is short of the amount recorded in his check book, a society has not the right, nor is it legal, to deduct the amount of **Illegal Redress.** shortage from his wages, unless there is an agreement in writing to that effect entered into between the society and the employé.
- (b) That the system under which an employé is paid his wage in full, but is required there and then to repay to the society any amount he may have been short, is equivalent to a stoppage direct from wages, and therefore also illegal in the absence of a written agreement.
- (c) That an agreement is only valid if entered into freely by the employé, and might be set aside if it could be shown that compulsion had been used to obtain his signature, or that he did not enter into it of his own free will.
- (d) That "overs" in cash belong to the society, and that persistent shortage owing to misappropriation is a criminal matter.

Considering the dislocation of business, and the real grievances which follow in the train of individual cash tills, the best interests of a society will be served by some mechanical cash-carrying or centralised system. It is false economy to defer the time on the score of expense. Of course, the first step in shopkeeping would mean cash tills, but the developments of trade will soon determine when and what new course may be necessary to deal with cash-taking.

Among the many cash-carrying devices there are three which stand out most prominently, viz. :—

- Cash-carrying Systems.** (1) Pneumatic tube system.
(2) Cash railway service, and
(3) Rapid wire system.

Of the first the motive power may be by foot, gas, steam, or water motors as may be available. The idea is to drive

The Pneumatic Tube System. through tubes, varying in size from $1\frac{1}{2}$ " to 3" diameter, an elongated leather cartridge or cash-carrier between the departments and the cash desk. That driven by foot is limited to few stations, but with mechanical power there is scarcely any restrictions.

It has been computed that as many as 20 stations may be continuously operated at an expenditure of less than the power required to run three arc lights. A gas engine furnishes cheaper power than electricity, but an electric motor has advantages which compensate for slight extra cost in running.

One great advantage of this system is that when built in with new premises there are no obstructions and unsightliness. Then there is its applicability to any premises. To a society having large central buildings it must be a distinct boon to have all cash-taking from the grocery, drapery, and other departments centralised in a convenient spot, say in the basement or top floor. As a means of transmission its speed is over 2,000 feet per minute in actual use.

For illustrations of these tubes refer to Appendices 33 and 34, in which the counter section and cash desk are respectively shown.

The ball cash-railway system is one that is largely in use in many parts of the country. Where it is inconvenient to

Cash Railways. have power of any sort, this system may be adopted without sacrificing efficiency. Indeed, there is very little to choose between this and the pneumatic tubes; one may be preferred to the other according to circumstances.

The ball cash-railway system consists of light hard wood tracks graded to and from an elevated cash desk in such a manner that hollow balls carry cash and change by rolling down hill from assistant to cashier, and *vice versa*. Everything is exposed to view and easy of access. Stoppages are unknown. Balls arrive and deliver themselves at their proper stations by the simple law of gravity. They are graduated in size so as to make miscarriage impossible.

The assistant on making a sale places duplicate check and cash into one of the balls belonging to station nearest to him, and simply pulls down a cord to despatch to cashier, meanwhile he is making the parcel up for customer. (See illustrations in Appendices 35 and 36.)

For short direct service, as in grocery, provision, and fruit shops, the rapid wire system, on account of its speed and simplicity, is specially adaptable.

The Rapid Wire or Catapult System. By the assistant pulling a lever, after fixing carrier in position, it is let loose and given sufficient momentum to carry along the wire stretched from counter to cash desk. Appendix 37 gives a good sketch of the principle, whilst in Appendix 38 an elevated cash desk is seen where both ball and rapid wire systems are in use.

Any of these systems may be rented or bought outright from patentees.

The method of shopkeeping peculiar to co-operation, in which the net profits are divided on purchases, has necessitated the introduction of various systems to cope with the work entailed thereby.

To be of any material service to a society, there are certain outstanding qualities which any system must embody, viz. :—

- How to Test a System.**
- (1) It must be an efficient check on the cash received by a salesman or cashier.
 - (2) It must correctly duplicate the amounts of

all purchases, so that members' claims may be accurately ascertained by both parties to the contract.

- (3) It should stop "floating balances," and enable a society to pay dividend on each quarter's trading.
- (4) It should make trafficking in checks impossible.
- (5) It must be economically and easily worked.

The systems in use by societies at the present time are—

- Systems in
Vogue.**
- (a) Book system.
 - (b) Metallic checks.
 - (c) Cash register.
 - (d) "Eccles" system.
 - (e) "Ideal" check system.
 - (f) "Climax" system.
 - (g) Fielding-Wood system.

Although not so well known as the others, the book system is used by some of the largest societies in England, and also in Scotland.

The Book System. It consists of a purchase book being given to each member, whose name and number appear on the front page, and who must present it at the shop when buying goods. The salesman enters into this book and his own daily ledger the total amount of sales executed; the shop book afterwards going to office for amounts to be duly credited to members in trade ledger.

From investigations which have been made, societies working under this system are satisfied that it is an effective check, and correctly tabulates actual purchases.

There are two objections, however, which should be carefully weighed, especially in inaugurating a new system—(1) the filthy condition into which some of the books will fall, and (2) whether the method is likely to be congenial to customers.

The metallic check system is fast becoming obsolete, because of its many deficiencies. As the name indicates,

The Metallic Check System. coins representing cash values are given in exchange for moneys paid. These are made of copper, £1; brass, 10s.; tin, 5s. down to $\frac{1}{2}$ d. Members receive dividend on the amount of checks given in at the end of the quarter.

As already indicated, whilst the easy method of giving checks proves attractive, the dangers on the other hand more than counteract any good qualities this system possesses.

It is evident that free circulation is bound to take place, and that checks will be bartered, pawned, and sometimes counterfeited.

Any society still holding to this system may at any time be driven by the force of circumstances to seek amendment.

The national cash register is a patented mechanical device for printing the share book number of each member on ribbon paper for the society's use, and on a check that is automatically issued by the machine for the purchaser. These are shown in Appendix 39. As this system is quite a new invention, some time may elapse before a candid expression of opinion can be made.

There is no doubt that it has many of those qualities which go to make a perfect system, and the fact that it has been applied by societies to their business is an evidence at once that there are some who have faith in it.

We now come to the paper series of check systems, which have been most extensively adopted by co-operative societies within recent years. Among these there is the **The "Eccles" Check System.** "Eccles" system, which is conducted by the issue of paper checks $\frac{1}{2}" \times 2\frac{1}{2}"$, on which the amount of purchase only is tabulated. These are triplicated by the shopman as required by the regulations of the society, and the purchasing member always receives one, the cashier another, and the last remains in book with salesman. Where

there is no centralisation of cash, the checks are issued in duplicate form only. A gummed sheet is supplied to members to which they attach their checks ; when full, the total amount is transferred to another sheet, and so on *ad infinitum*.

The duplicates act as a check, in the first instance, on the salesman, and, in the second, are carefully compared with the members' checks brought in to see that no alteration has taken place. At the end of the quarter or half year, all check sheets, together with share books, are sent to the office, purchases totalled, and voucher given in return with full particulars of share capital, amount of purchases ranking for dividend, &c.

This scheme, when closely examined, although it may be superior to some of those in use, is not only defective, but incomplete. It offers to the dishonest strong temptations to alter checks, and in self-defence compels a society to enter into the laborious process of comparison of all checks returned with their counterfoils. It does not prevent the transfer or sale of checks, and in the case of lost or stolen checks, the interest of the member is not safeguarded.

Under the "Ideal" check system, each member is provided with a purchasing card bearing share number, and each salesman is provided with check sheets and holder. When making a purchase, the member's card is placed under the salesman's sheet, which is carbonised at the back, thus doing away with the separate carbon leaf, so that the entry is duplicated by the one process. (Refer to Appendix 40.) The cards when full are added up, retained by the society, and their representative value stated in corner. They are arranged in numerical order in indexed trays, and new cards are issued as required throughout the quarter. At the end of the quarter, each member's purchases are called from the cards into the dividend book. As a check against a salesman, it is said to be thoroughly efficient.

The advantages claimed for this system are numerous, the most important of which are—(1) it prevents legal complications on the ownership of checks ; (2) the store cannot be abused by the trading in or transfer of checks ; (3) its methods are direct and ensure accuracy, errors in posting cannot occur, and the work is evenly distributed over the quarter as cards and sheets are brought in ; (4) cards show which departments members are mostly patronising ; (5) it is economically worked—the total cost coming well within 2s. per £100 sales.

The distinguishing feature of this check system is that a complete record is kept of individual purchases in the society's books. The triplicate check book is used, two top leaves perforated under one not perforated.

The "Climax" System. The check itself is $1\frac{1}{4}$ " x $2\frac{1}{2}$ ", and is divided into two sections—one for entry of purchases, and the other for share book number. The checks are numbered consecutively, to be readily traced if necessary ; the employé's number and the society's initials are printed thereon.

When a sale is executed, the customer receives a check recording share number and purchase. Periodically the shopmen's books are sent to the office, and the columns are totalled and compared with cash sent in. For this purpose the perforated sheets are used, because it is from these the members' trade accounts are made up, whilst the fixed leaf retains a permanent record of all checks issued. The checks are sorted in the office by a staff of girls, and afterwards posted to members' credit. In this connection the automatic calculator has been used with beneficial results.

Members' and society's totals may be compared in case of dispute in amount.

The only weakness alleged against this system is difficulty of members always remembering their share book number. To get over this, it has been suggested that a piece of card-board, on which the number is boldly typed, might be

effective. This, however, will be found quite unnecessary a few months after the introduction of the system, because constant iteration improves the memory.

On the other hand, its claims may be summarised—(1) as an effective check on cash; (2) simple and easy; (3) enabling societies to pay dividend on each quarter's sales; (4) stopping floating balances; (5) provides a ready method of tracing members' payments; (6) shows loyalty or otherwise of members; (7) prevents transfer of checks; (8) no changing of checks during quarter; (9) members losing checks are still credited with purchases.

This system is the latest on the market. It is excellently set forth in a little pamphlet published by the Co-operative Printing Society Limited, which the student **The Fielding-Wood System.** might read for himself.

The essential feature of the Fielding-Wood check system is that each member carries his own blank check book, progressively numbered—as in Appendix 41, ten pages of ten each, from 1 to 100—perforated and duplicated like the ordinary paper check book in common use. It is the reversal of the usual order, the customer presenting his book, which is properly and distinctively numbered in a suggested form according to the number of members—A-Z to AA-ZZ—to the shopman, who using a piece of carbon, makes a check out in the book to the amount of purchases, giving thereon as well his own initials, department, and possibly the date. The check is torn out at the perforation by the salesman, and placed through a slit into a box allotted to him on the counter in sight of the member, and handing back the book, the member confirms the carbonic copy with the amount spent. The first check in each book provides for the member's name, while page totals are carried forward to a final issue. In addition to the aforesaid duties, the shopman will be required to add up each page of checks, and carry forward in the usual way.

The check boxes will be locked, inaccessible to the assistant, and returned each day to be opened by an official of the society ; the checks tabulated and compared with the cash sent in, as denoted by a summary of each assistant's sales being marked each day, or when necessary, on the special form (voucher book, Appendix 42), and included with the members' checks. The checks are then distributed to the various book numbers into their allotted partitions in check trays or drawers, and as the total purchases appear on every tenth check, a constant check is provided, and the necessity for a "check day" obviated.

As applied to non-members' purchases, a non-member's purchase book is to be kept in the shop in charge of the shop manager, who will produce it to the counterman when required. It is really a similar book to the member's book, but marked N.M., numbered progressively, with cash columns and space for the non-member's surname. The check is put into the box for that purpose by the shopman, but a voucher ticket is given to the N.M. (See Appendix 43.)

Following on those ideas, the author of the system further shows the adaptability of this check system to credit-trading by recording every transaction, without the use of counter-books and ledgers for use at the office (see Appendix 44), to the collection of members' contributions to share capital at the shops, to withdrawals, penny bank accounts, and inter-trading as a way of solving the vexed question of overlapping.

It is claimed for this system that it has, among other things, the following advantages :—(1) No counter-book required ; (2) vanmen, &c., no book to carry (only a box for checks) ; (3) no number to be given by the member ; (4) shopman cannot handle or manipulate his checks ; (5) impossibility of shopman falsifying checks ; (6) no loose checks for customers ; (7) cannot be pawned ; (8) no check ledger required ; (9) a member's book number is not his share number, thereby preserving secrecy.

CHAPTER XVI.

Leakage.

Leakage Defined. LEAKAGE is the difference, expressed in value or quantity between the goods received or charged and the same goods disposed of or sold. Broadly speaking, it is the amount of loss or waste following the distribution of commodities in small quantities from the bulk. All goods are charged to the department at retail prices, with special allowances for depreciation, shrinkage, fall in market value, and a certain percentage for uncontrollable leakage ; whilst on the other hand, when there is an advance in selling prices, the amount is charged to the shops on the quantity of goods affected, which is previously ascertained. In making the aforesaid allowances, accuracy is indispensable, because if these are greater or less than the circumstances demand, there will appear either an exceptional surplus or a disproportionate leakage.

The statement for a sound leakage system is somewhat difficult, as the practice varies with a society's experience.

The Basis of Leakage. The prevailing custom is to charge (*a*) net weights, (*b*) empties at cost price, (*c*) and paper weighed with goods at an average rate—in fact, everything on which a return is made. With respect to paper, be it noted that neither parcelling paper nor twine should be charged to account, and it is questionable whether it is legal to include the weight of any kind of paper with

goods. On this point grocers, in particular, stand firmly together in recognising the principle of doing so, taking care to see that the paper is not heavily loaded, but of a texture, consistent with secure wrapping, not to seriously affect the weight. Some idea may be formed of the kind of paper in use by quoting those recognised in Manchester :—

MANCHESTER GROCERS.*

Sugar, fruit, &c. Size, 20 x 28 ; maximum, 6olbs. per ream ; sheet cutting, four 1lb. or six $\frac{1}{2}$ lb.

Sugar bags. 1lb. lump, minimum, 31 bags to lb.

2lbs. moist, " 30 "

3lbs. " 22 "

4lbs., 6lbs., 12lbs., and upwards, equivalent weights.

Parchment. 20 x 30 ; maximum, 4olbs. per ream. For butter, lard, provisions, &c.

Tea. 18 x 20 ; maximum, 26lbs. per ream.

Tea, coffee, &c. 1lb., minimum, 30 to the lb.

$\frac{1}{2}$ lb., " 48 "

4oz., " 5 to the oz.

2oz., " 8 "

1oz., " 10 "

The above are equivalent to 26lbs. per ream.

THE MANCHESTER EQUITABLE SOCIETY LIMITED.

1lb. moist, 80 to the lb., and 62 for 1lb. lump.

2lb. " 56 "

3lb. " 40 "

6lb. " 26 "

These cost 28s. per cwt. for some sizes and 26s. for others. Weighing them with sugar there is a loss, as the bags cost more than the article sold.

* Mr. C. Wright on the Weights of Paper.

Sugar and fruit papers.....	56lbs.
Parchment	24lbs.
Tea (demy)	24lbs.

Thinner sugar and fruit papers are being provided to run about 40lbs. to the ream.

Taking into account the quantity of goods distributed in packages, it is estimated that $1\frac{1}{4}$ per cent, or **General Allowances.** 3d. in the £, is a fair margin to allow for leakage on the total turnover.

The great disparity in the average leakage of shops, that oftentimes baffles the uninitiated, may be due to the preponderance of sales in leaking over the non-leaking articles; inversely, there might result **How Deficiencies may arise.** a surplus instead of a deficiency when the general allowance is added.

But apart from those considerations, there are other ways in which deficiencies may arise, and the manager should view the matter from every standpoint.

- (1) Carelessness.
- (2) Incompetency.
- (3) Dishonest practices.
- (4) Incorrect stocktaking.
- (5) Clerical errors.

Surpluses, as well as deficiencies, need close investigation, and, in addition to some of the points already mentioned, **How Surpluses are made.** there are other influences which make it possible to have a good balance on the right side. Briefly summarised, they are as follows :—

- (a) Over generous special allowances.
- (b) Surcharging goods.
- (c) Errors in stocktaking, &c.

To avoid the duplication of work in connection with the Co-operative Union's Text Books, the student is referred to the excellent statement of the books required **Book-keeping.** to keep a leakage account, as well as the best

methods of drawing up such accounts, which are given in "Co-operative Book-keeping," pages 49-53.

On this question societies differ very materially. Some societies require a guaranteed bond, with two or more sureties,

Protection against Excessive Leakage. of a value equal to the responsibilities of the manager or head shopman. Others demand a deposit in cash, on which the society claims a lien in case of deficiencies beyond that allowed.

The deposit receives its interest, but is only withdrawable in amounts that do not reduce the prescribed bond.

A few societies prefer to take out fidelity policies of insurance, which indemnify against loss through dishonest or criminal practices. On the whole, however, there is a marked tendency to discard bonds of every kind, and to deal with each particular circumstance on its own merits ; the penalty for excessive leakage being either reduced position or dismissal according to the enormity of the offence.

The above are general statements on the broad principles of the leakage system, and it is advisable now to enter upon

As Applied to Groceries. a closer examination of the question as it applies to the various departments, for the nature of the goods is so different as to necessitate some differentiation in treatment. The incidences of leakage entirely depend upon the manner in which goods are served to the customers.

The leakage in groceries is not so great as in some of the other departments. In these days, when the increasing tendency is towards the factors packing the goods in cases, bottles, &c., the chief consideration in this, as in every department, is to carefully check, weigh, or measure every commodity, to be sure that the consignments are not only in good saleable condition, but in the exact quantities as stated on the delivery sheet or invoice.

After thus being sure of the quantities in bulk, carefulness in handling the packages to avoid leakages by breakage is

important. Of course, sugar, rice, and other goods received in large quantities and put up in the shop must be weighed accurately, and a constant check is advisable in testing the weights of the packages after they have been put into the fixtures.

It is recognised that it is in the provision trade that serious leakages occur. Hams and bacon are more or less affected by climatic influences, according to **Provisions.** the condition in which the goods have been received; if overburdened with moisture, evaporation is set up, and loss of weight naturally follows. The fairest way appears to be that the shopman should correctly tabulate the weights of each piece on arrival, when not for immediate counter use, and when ready for sale, to note the difference in the weight, so that he might obtain a credit for the loss sustained on the grounds of uncontrollable leakage.

From actual experiments made with a side of bacon, a roll shoulder, and a ham, each said to be in fair average condition—neither too wet nor too dry—the following details will give some idea of the leakage that occurred :—

SIDE OF BACON.

June 14, total weight	$39\frac{6}{16}$ lbs.
" 21 "	$38\frac{12}{16}$ lbs.
" 28 "	$38\frac{2}{16}$ lbs.
Loss 200z., or	3.77 per cent.

ROLL SHOULDER.

June 14, total weight	$10\frac{15}{16}$ lbs
" 21 "	$10\frac{10}{16}$ lbs
" 28 "	$10\frac{7}{16}$ lbs
Loss 8oz., or	4.57 per cent.

HAM.

June 14, total weight	$12\frac{2}{16}$ lbs.
„ 21 „	$11\frac{15}{16}$ lbs.
„ 27 „	$11\frac{19}{16}$ lbs.
Loss 6oz., or 3·09 per cent.	

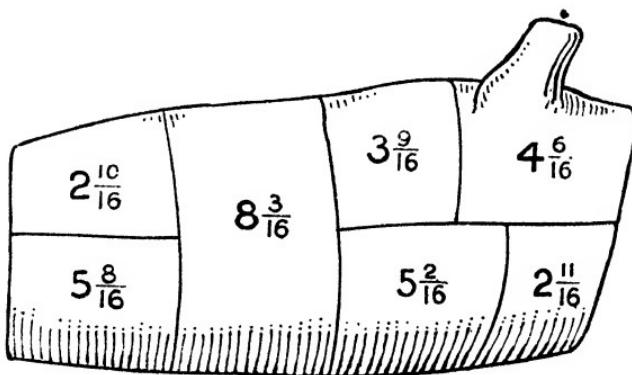
The general allowance of $1\frac{1}{4}$ per cent does not, therefore, completely cover the loss on provisions from date of receipt to the sale of them. This "drying in" or "shrinkage" must receive special treatment in the accounts, and not be debited as ordinary; but credited as special leakage.

Further, the difficulty with regard to hams and bacon is somewhat accentuated because the prices of the various cuts are not uniform. Even then, a great deal depends upon the skill of the shopman with the knife. This calls for the appointment of skilled men only to handle these goods. A good man can easily save any extra remuneration that is given him, and more, by expert manipulation of the meat.

The particular methods of cutting up hams and bacon are gained mostly by experience. Besides, in view of the many "cuts" supplied to the markets it would be quite beyond the province of a text book to attempt to set down any general rules for dividing the pieces into saleable quantities. Appendices 45 to 56 give some idea of the enormous variation of district requirements. The names given to these cuts must not in every instance be taken as an indication of the source of supply, but rather as the distinguishing feature of the method of curing and cutting from the carcase.

Hams and bacon are usually charged at a fixed average rate, accepting the medium between the higher and lower rates, and, in addition, a deduction of so much per lb. Hams from $1\frac{1}{2}$ d. to 2d. per lb.; shoulders, without shanks, $\frac{1}{2}$ d. to $\frac{3}{4}$ d. per lb., with shanks, 1d. per lb.; rolls, $\frac{1}{2}$ d. per lb., &c.

To illustrate this point, the American side here shown is a fair example of the general custom :—



Total weight $32\frac{1}{16}$ lbs., charged 8d. per lb. = £1. 1s. 5d., works out as under :—

	£ s. d.
Middle, $8\frac{3}{16}$ lbs. at $8\frac{1}{2}$ d.....	0 5 10
Back, $5\frac{8}{16}$ lbs. at $7\frac{1}{2}$ d.	0 3 5 $\frac{1}{2}$
Flank, $2\frac{10}{16}$ lbs. at 7d.	0 1 6 $\frac{1}{2}$
Shank, $4\frac{6}{16}$ lbs. at $5\frac{1}{2}$ d.	0 2 0 $\frac{1}{2}$
Next Shank, $3\frac{9}{16}$ lbs. at $8\frac{1}{2}$ d.	0 2 6 $\frac{1}{2}$
Shoulder Cut, $5\frac{2}{16}$ lbs. at 8d.	0 3 5
Shoulder (no bone), $2\frac{11}{16}$ lbs. at $8\frac{1}{2}$ d.	0 1 11
<hr/>	
	1 0 9
½d. per lb. leakage allowance..	0 1 4
<hr/>	
	1 2 1
Charged.....	1 1 5
<hr/>	
Surplus	£0 0 8

Although a surplus is here shown, the 8d. is swallowed up in slicing portions of waste from the outer edges in order to retain freshness, and a less price that is sure to be received for the shank end.

Butter, margarine, and lard require to be closely watched

in hot weather, and must only be brought forward in saleable quantities. It is prudent to keep them in the cool cellar, and to get supplies at proper intervals. These goods, along with cheese, need to be weighed to the dip of the scale. Some amount of judgment is required to cut to the ounce to avoid unsightly stock.

In all the textile and allied trades the same strict supervision will have to be exercised in the reception of goods.

Drapery and Leakage. A patent measuring machine is a handy method of checking piece goods. The main principle

to be observed in these departments is to have a clear understanding of the difference between depreciation and leakage. For leakage, the same methods are adopted here as in the other departments—all goods charged at retail prices, less $1\frac{1}{4}$ per cent allowance. But with regard to the reductions made on remnants, which is a baneful practise that has grown by custom, and those reductions which are due to change of fashion, deterioration, and other causes, the salesman must be careful to enter these into a special book for the purpose, so that he may receive credit in the usual way.

Of the hindrances to an exact statement of accounts in this department, it may be stated that in some districts calicoes, laces, and trimmings are often sold by the dozen yards much cheaper than the yard price, clearly showing that there will be a divergence of opinion as to whether the higher or lower rate should be charged to the department. Besides, it must be observed that there is really some difficulty in carrying through successfully the leakage system in the drapery department when the millinery and dressmaking—productives—are included with it. In the former, there is what might be termed the income by unearned increment—the additional price that is charged for the creation of style over and above the actual cost of production and materials. The same remarks applying to dressmaking when costumes,

&c., are made for stock. To add these items after making, and to allow for depreciation on unsaleable articles afterwards, appears to be the obvious method of dealing with this problem, though it may be laborious in its execution.

There is less trouble in working the leakage system in these departments than in any other. The articles naturally

Furnishing, lend themselves to individual treatment. There Hardware, is less leakage; depreciation is the more Boots and Shoes, Ready-made Clothing, drapery departmental leakage.) &c.

Some societies, and indeed the largest private firms with multiple shops, have a special book system for ready-mades, particularly. Every garment is given a number—suits treated as one, and oddments in separate items—and entered in a stock book; all the assistant has to do is to retain and file the ticket, and delete the numbers in slack moments. By this means, if the system is carried out thoroughly, the stock can be estimated at any time from that book.

Jewellery departments are conducted, in the main, on similar lines to the aforesaid.

What has already been said about the leakage system equally applies to this. The only exception being that, as

Greengrocery and Fruits. the stock is of a more perishable nature than any of the others, it should be carefully watched. The good, sound condition of fresh goods is essential. Liberal allowances will have to be made for damaged and unsaleable goods, whilst the amount of loss occasioned by soil deposits, stalks, &c., should be recorded as a set-off against what might otherwise appear an exorbitant leakage.

CHAPTER XVII.

Credit Trading.

IT is to be regretted that so many societies in the movement have entertained any system of credit trading, not only

Against Co-operative Principles. because it is inimical to the best interests of a society and its members, but also owing to the fact that it is contrary to the spirit and principles of the movement. Reduced to practice co-operation is among the finest examples of what a body of people can do by the exercise of judicious thrifty habits.

In some localities the idea of credit trading is so ingrained and popular that it is no wonder that co-operators have fallen a prey to its allurements. Districts are permeated with it ; private shopkeepers have countenanced it; and, notwithstanding the many risks involved, there are those amongst us who condone the matter on the score of expediency.

To some extent there may be certain conditions which have stimulated the demand for credit, such as the fortnightly pay days for workmen prevailing in mining centres ; whilst the evil may be sometimes deepened by improvidence, and the insatiable desire on the part of some people to possess articles which do not come within their immediate means. The hire system, too, that opens up vistas of elysian bliss in having home comforts on weekly payments spread over a period, is entered upon without counting the additional cost that necessarily follows in its train.

How it is Stimulated.

On the other hand, it is alleged that credit is a convenience to customers, and that commercial relationships on the larger scale would cease without it. What **The Manager's Position.** the store manager has to do, amid all this theorising, is to encourage cash transactions, incite to thrift, earnestly control what credit is given, and gradually reduce it to a vanishing point.

That the manager may know what he may be called upon to control, some of the modes of procedure are here given :—

- | | |
|------------------------|--|
| Credit Systems. | (1) Weekly credit.
(2) Running accounts.
(3) The club system.
(4) The hire purchase system. |
|------------------------|--|

The first system—weekly credit—has reference more particularly to the departments trading in edibles, although some societies are strict enough to emphasise **Weekly Credit.** its application to all departments. It means, in effect, that one account must be settled before another entry can be made. If there has to be a loss, the first is the only one.

Running accounts, defined, places credit at the discretion of the manager, but it is mostly interpreted that a customer shall understand that all accounts must be **Running Accounts.** cleared before the date fixed for the quarterly or half-yearly stocktaking, and, as it is sometimes convenient to forget this regulation, trouble ensues, debts increase, and the discerning member views the position with alarm. It is in the textile departments where there is the greatest danger of rational limits being exceeded; especially in their productive adjuncts—millinery, dress-making, and tailoring. The person in charge must exercise great caution and judgment to remove the possibility of loss to a society. As far as practicable, cash payments should be insisted upon, and, failing that, to encourage customers, especially in the dressmaking department, to pay for the materials before they are made up.

The weekly credit system lends itself to a kind of centralisation that is adopted by many societies—the

Centralisation of Credit. accounts from each department being sent to the grocery department to be added to the bill

for the customer from this department. The whole of the money is collected at the same time. One advantage of this system is that each customer has only one account with the society, and the society in turn can readily turn up the accounts owing by a member without having to make inquiries in each shop. On the other hand, credit trading may assume such huge proportions as to necessitate the organisation of a staff and department to cope with it.

The club system, ordinarily understood, is that by which the customer enters into an obligation to pay an amount

Credit by Clubs. agreed upon by so many weekly instalments spread over a definite period. In some stores there are thirteen-week clubs, and in others the time is extended to twenty weeks, but in each instance the amount due is regulated by the number of weeks, and the payments set at 6d., 1s., 1s. 6d., or 2s., as desired, e.g. :—

Payment per week. s. d.	Amount to draw.			
	13 weeks.		20 weeks.	
	s.	d.	s.	d.
0 6	6	6	....	10 0
1 0	13	0	....	20 0
1 6	19	6	....	30 0
2 0	26	0	....	40 0

and so on in the same proportion.

If these clubs were conducted on the same basis as "coal clubs," that is to say, that the goods were only supplied when the amount was made up, there would be no credit; but it is otherwise. To each club there is a draft of so many members, from which a fixed number is drawn every week; the customer then becomes entitled to be supplied with goods to the total value of the club by virtue of a successful

ballot, though only one or two payments may have been made. The process is continued until the club is exhausted.

This is the centralised club system, and the bulk of the secretarial work, distribution of cards, taking of cash, the dissection of the coupon which a member has used as the token for purchases, and the placing of the separate amounts to the credit of each department, is done in the office.

Whatever might be said against credit trading in its crude form, this method, which has been in successful operation for years in many societies without any loss worth mentioning, has the advantage of systematical arrangement, and focuses the mind of the customer on well-defined regulations easy to carry out.

Without going into the merits or demerits of this system, it has been thought necessary to include a brief summary of the manner in which it is conducted by some of **The Hire Purchase System.** the larger societies.

It is usually applied to the furnishing department, either as a whole, or to certain large articles such as pianos, harmoniums, sideboards, sewing machines, &c., which require a large outlay for cash sales and which might be beyond the power of a member to deposit at the time required. To meet cases of this kind, and possibly also for the convenience of the thrifty, weekly or monthly instalments are offered as an inducement to obtain the sale of these goods.

The underlying principle of this system is that the goods are only let out on hire, the period of the hiring expiring when the last payment has been met. For this purpose a memorandum of agreement (see Appendix 57), setting forth the conditions of hire, and a schedule of the articles referred to, signed by the hirer, witnessed, and stamped on behalf of the society, will have to be executed before the legal formula has been completed. This agreement is published by the Co-operative Union Limited.

The hirer is provided with a small book into which repayments are entered, and which has also a copy of the agreement printed in the first pages. (See Appendix 58.)

The agreement would need to be so worded as to embody the system it is proposed to carry out. In this, no two societies appear to be alike. The main ideas are—

- (1) Fixing the limit of the proposed purchase in amount.
- (2) The amount of deposit, at a percentage on the purchase, to be met before the goods are delivered. 5 per cent to 20 per cent is the range in operation, according to the amount hired.
- (3) The addition of interest charges on capital used for the period.
- (4) The percentage of repayments on the same basis.
- (5) The addition of interest through non-compliance of terms, and the deduction of a percentage on the purchase being completed much before the period allowed.

Note that a sixpenny stamp is required to complete the legal contract.

The following is an example of the way in which it works out :—

	£ s. d.
Hired, as per agreement, goods to the value of.....	5 0 0
Deposit (10 per cent).....	<u>0 10 0</u>
	4 10 0
7½ per cent added.....	<u>0 7 3</u>
Balance	4 17 3
Monthly repayments (5 per cent on original value).....	<u>0 5 0</u>
Balance	£4 12 3 &c.

Expiration of agreement, 20 months.

If repaid within 12 months, 2½ per cent will be deducted.

Another method of shortening the period for small amounts and lengthening it for larger amounts is organised on the following scale :—

Hire Purchase.	Deposit.	Monthly Repayments.	Term of Hire.	Total cost to Customer.
£ s. d.	£ s. d.	£ s. d.	Months.	£ s. d.
5 0 0	0 10 0	0 8 0	12	5 6 0
7 10 0	0 15 0	0 10 6	14	8 2 0
10 0 0	1 0 0	0 13 0	16	10 12 0
15 0 0	1 10 0	0 14 6	20	16 0 0
20 0 0	2 0 0	0 16 0	24	21 4 0
30 0 0	3 0 0	1 0 0	29	32 0 0

Less $\frac{1}{2}$ per cent on amounts up to £10 paid within six months, and less $\frac{1}{2}$ per cent on amounts above that to £30 if paid within twelve months.

There are some societies that adopt the questionable principle of permitting credit when the amount demanded is covered by share capital, which is earmarked to prevent withdrawal. On this point the Co-operative Union is very explicit :—

"Shares should be kept entirely distinct and apart from *trading* accounts, and the share ledger should never on any account be made the record of trading transactions by entering members' trade debts against shares and showing a balance from time to time as to how the account stands as between shares and trade. Only recently a case has come to our knowledge where, on an examination of the accounts of a society, a number of accounts in the share ledger actually show a balance due to the society instead of shares being due to the member. This occurs through the trading accounts of the members and the amounts owing by them to the society having been passed to the debit of their account in the share ledger.

"It cannot be too strongly insisted upon that share capital is not a deposit on trade account, but is capital sub-

Lien on Share Capital.

scribed under the conditions laid down in the rules for carrying on the business of the society.

"It is true that a society has a lien on share capital for debts owing by members; but this lien should never be enforced until all other methods of obtaining payment have been exhausted, and should never be exercised when the right of withdrawal of share capital has been suspended, or where the capital is worth less than 20s. in the £."*

In spite of these instructions, there are evidences to show that the somewhat dubious method of permitting members to trade with a proportion of their share capital is practised by a few societies. For this purpose a book is received at the office stating exactly the amount of credit the member is entitled to obtain: it becomes really a credit trading book, and is presented at the counter for entries to be made in it by the assistant.

The Mercantile Law Amendment Act, 1857, following upon that of James I., places a time limit upon actions being taken for the recovery of accounts. It is well, **Statute of Limitations.** therefore, to observe that ordinary credit trading accounts cannot be recovered after six years, or six years after the last payment or deposit on account has been made, unless under special contract, when twenty years are allowed.

* "Notes of Importance for the Use of Committees and Officials,"
J. C. Gray.

CHAPTER XVIII.

The Delivery of Goods.

THE old days of baskets and "bundle handkerchiefs" have gone. With advances in courtesy and a universal desire to please the public, the delivery of goods has become an essential concomitant. In this, as in many things, and how far a society should go in that respect, local custom will decide. In particular classes of goods it has always been necessary to oblige in some way, but instead of it now being confined to exceptional cases, the trend is towards general deliveries.

To obviate the consequent expense entailed, a few societies charge for such deliveries according to the weight or value of the parcel ; but this method of solving the problem is not to be commended, as competitors are likely to make capital out of the transaction. If delivery has to be done, the expense must be set down as a charge against distribution.

In a large town trade, the classification may be set down as follows :—

- Classification.** (1) Grocery and provision rolleys ;
(2) Bread vans ;
(3) Butchers' carts ;
(4) Drapers' vans, with which all the allied trades are associated ;
(5) Furnishing flats or vans ;
(6) Milk carts—hand or horse ;
(7) Branch handcarts ;
(8) Small tricycle vans, for parcels and urgent distribution ;

whilst in scattered areas and country districts, in addition to those mentioned, exigencies are met by having special—

- (a) Fruit carts ;
- (b) Oil vans ;
- (c) Hardware vans ;

which carry stock, sell, and collect cash at the same time. It would be well to note that hawker's licenses and registration are required for some of these.

Having commenced the delivery of goods, the manager should satisfy himself that the work is carried out as economically as possible. Provided there is scope, some assistance could be rendered by thoughtful organisation and centralisation. Especially is this so with respect to large central premises, where deliveries of draperies, boots, clothing, and furniture (small parcels or packages) might be effected at the same time.

To do this, a despatch office would be required, with ready ingress for all the departments, and a system of despatch slips, parcels book, and shelving to sort and accommodate the parcels awaiting the advent of the cartmen. A time table should be placed in the departments, giving the hour of despatch to various districts, which should be rigidly carried out. Each district should be visited at least once a day. Of course, this only applies to regular deliveries. Urgent specials would receive the attention of the ubiquitous errand boy.

The carting department should be separately conducted, and under the direct charge of a foreman, who should control the staff, regulate the traffic, check the men on their rounds, and apportion the charges to the departments on a fair and equitable basis.

A society having a number of branches will find extreme difficulty in regulating deliveries, because customers, from preference, will shop according to fancy or taste. This habit of passing from one district to another causes vexatious overlapping, and

**The Delivery
of Groceries.**

adds expense to the department ; but where is the remedy, save in the drastic delineation of areas, to which action the curtailment of the personal liberty of the member and its possible consequences may have to be seriously computed before decision. Some sort of circumscription, however, should be attempted, and these peculiar cases dealt with by special arrangement.

One would think that the multiplication of branch shops would decrease cartage charges, but it is not so. Instead of having a large number of branches, a few societies have travellers on the road, who take orders and collect cash. Orders by post and those given in by hand should be encouraged, for without an understanding of this sort it would be impossible for some shops to cope with the work effectively. Caution should be exercised to prevent the creeping in, through this specious disguise, of questionable credit trading.

The times for deliveries is a matter of arrangement.

The policy of delivering bread from door to door is not accepted by every society, though in some towns it is a necessity. Vans are sent round on alternate days, as a rule, but in a few instances the mouth of the oven is close to the customers' door every day. It has been estimated that to carry out the former the cost of distribution is nearly one halfpenny per 4 lb. loaf* ; the latter will cost more unless there is a corresponding increase of business.

Leaving on one side what might not inappropriately be termed extraneous cartage, to which a society has sometimes to resort on account of competition, the actual cost of the delivery of general goods will depend upon—

(a) Capital charges on live and rolling stock† ;

* Paper by Mr. Wright, of the Manchester and Salford Society.

† Many societies prefer to set these charges against profit and loss account.

- (b) Repairs and saddlery ;
- (c) Horsekeep and incidentals ;
- (d) Cartmen's wages.

The following table will give some idea of the departmental charges, taken from a half-yearly balance sheet of a society with 18,000 members, in a town with 150,000 inhabitants, having 26 grocery, 10 drapery, 18 butchering, 3 boot branches, and 2 landsales, or coal depôts, who deliver everything required, and have bread vans that attend to branch shop orders only—

Department.	Sales. £	Cost per £. s. d.
(1) Grocery and fruit	103,712	.. 0 2
(2) Drapery and furnishing...	22,694	.. 0 0½
(3) Boots, distributive and pro- ductive (repairs)	4,875	.. 0 1
(4) Tailoring	4,559	.. 0 0½
(5) Butchering	15,487	.. 0 2½
(6)*Coals	7,501	.. 1 2
(7) Milk	2,336	.. 3 2½

These figures include horsekeep, cartmen's wages, saddlery, and shoeing. The department is organised and under special management.

* Not including sundry private hiring.

CHAPTER XIX.

Stocks and Stocktaking.

THE conditions underlying the trade of many societies make it somewhat difficult to say what stocks should be carried by the various departments—district requirements,

Ratio of Stocks to Sales. class and variety of trade, remoteness from the local sources of supply, and the unsettled state of the markets are determining factors which should have weighty consideration.

The grocery stocks will vary from a turnover of from twelve to sixteen times a year, whilst the textile or apparel departments would only do so from three to five times in the same period. Jewellery and chemists about twice a year. Provisions, butchering, fish, and fruits are best conducted on weekly supplies. When central premises act as semi-wholesale depôts in supplying goods to branch shops, the stock in the former will be larger in proportion to sales. It is the wiser plan, where possible, to have a separate warehouse in such cases, so that all the shops might be placed on the same level. The duplication of stocks, especially in branch textile departments, should lead a society to exercise great care before launching out. Anything in the nature of an experiment should be guarded against.

In a country trade, where the variety of articles sold is less than in the large towns or thickly populated centres, it is possible to do even better than represented by the above figures.

It is very important that a manager should be able to estimate, approximately, the stock held by the departments

**How to
Approximate
the Stock
Weekly.**

at stated periods during the quarter or half year. A weekly record kept in the manner indicated below will be found a very useful guide in this matter. Briefly it is this—take the stock at the beginning of the quarter, add to it all purchases, transfers from other departments, and productive wages, if any, then deduct from the total of the week's sales the average gross profit of the department and add the net transfers to other departments to the balance which gives the total amount of goods sold. This credit is set against the debit, and the balance struck :—

STOCK RECORD.

	£ s. d.	£ s. d.
Stock at August 10th, 1908.....	20000	0 0
Purchases, August 15th	450	0 0
Transfers from other Depts.	27	0 0
	<hr/>	<hr/>
	20477	0 0
Sales, August 15th	1000	0 0
Less 25%	250	0 0
	<hr/>	<hr/>
	750	0 0
Transfers to other Depts.....	56	0 0
	<hr/>	<hr/>
	806	0 0
	<hr/>	<hr/>
Stock at August 17th	19671	0 0

The importance of accurate stocktaking cannot be overestimated, and managers and stocktakers alike should fully realise the responsibility of the work entrusted to them. In no less a degree is it necessary that proper methods should be adopted to ensure that the trade account is a true statement of departmental returns.

The Importance of Accurate Stocktaking. Slipshod stocktaking should not be tolerated; but that is unlikely to arise excepting where inexperienced or careless

False Methods.

shopmen are employed. Unfortunately, there are many false notions as to the correct method of taking stock. In some societies, especially where the leakage system is considered almost of primary importance, retail prices are held to be all that is necessary for every purpose. There is no doubt that this practice minimises office work in the extensions and additions of sheets, but it is open to grave questioning on many counts. Under that *régime* the gross profit is declared by writing off from the retail values a certain percentage, which, it is easy to be seen, may or may not represent a just basis of calculation for the departments concerned. Besides, stocks may be inflated or deflated by making the percentage more or less according to the requirements of the time. However careful a society might be to ascertain the average gross profits by the wholesale and retail sheets of commodities purchased and priced during each week of the quarter, there is no certainty that the stock remaining bears the same percentage as that sold.

Wholesale Values the only Safe Method.

Experience proves that the only reliable and businesslike method of stocktaking is at wholesale or present market values for the trading account, and at retail prices, in addition, where a leakage statement is desired. Present market values should not be taken to mean that any advances in price are to be added to the stock on hand. This would be bad finance, and dangerous in practice. It refers to stock bought at a higher price than present market values, which should be reduced accordingly. Neither should carriage be added to the cost of goods for stocktaking for obvious reasons.

The stock is actually taken by the departmental staff, but nominally by the stocktakers. The manager should pay special attention to the classification of the stock, see that the fixtures are marked consecutively, and the goods counted or measured in detail, not guessed, and rough listed ready

By Whom should the Stock be Taken?

for stock sheets. When that is done he should satisfy himself that the stock is faithfully represented thereon, both as regards quantity and price. In the time at the disposal of the stocktaker, who may either be elected by the members or the committee, it is his duty to thoroughly check the stock as shown by the sheets, and the manager should be in a position to give him any information that he may deem necessary, consistent with his duties.

In handing the stock sheets over to the proper authority, the stocktaker should report any matter that has come under his observation which he thinks worthy of consideration by the executive.

It is sometimes urged that independent stocktakers should be appointed occasionally. If by that is meant that a person

Independent Stocktakers. or persons should be engaged to take the stock instead of the employés, there are two things that must be considered before doing so—

(1) The adverse influence it would have upon the present staff, who would feel it an indirect allegation of incompetence or want of confidence, and

(2) The extra cost that would be entailed thereby.

A valuer might not do justice either to the society or the manager. The latter will always understand the vagaries of his trade and the value of the stock to his employers better than a stranger, for such a valuation of a "going concern" is entirely different from that of a bankrupt stock or of a change of proprietors. Possibly the whole matter rests on mutual confidence.

If by independent stocktaker is meant that someone acquainted with each trade shall be appointed to check the stocks, no manager should object to this course, if it were only to justify the correctness of his position. The day may come when that will be done, and for every practical purpose it would be found as efficient a method as could be desired.

Now and again some of the societies prefer an independent

stocktaking by experts. For this purpose the Co-operative Wholesale Society's branches have laid themselves out to meet societies in that direction, and, so far as one can gather, are doing the work very satisfactorily.

In the event of a change of management, it is always a prudent course to permit the incoming and outgoing departmental managers to take stock together, as by **Change of Management.** this means satisfaction may be given to both parties, and a society indemnified against great loss. If they cannot agree, then a third disinterested party might be called in to adjudicate the points in dispute.

CHAPTER XX.

Railway Rates and Charges.*

THE question of railway rates and charges is one of vital importance, and, in order to give a better insight into the same, the following information is given :—

The classification of goods is the basis upon which all railway rates are made. It is divided into eight classes, viz. :—

Classification of Goods. A, B, C, 1, 2, 3, 4, and 5. In classifying goods, due regard has been had to their value, consumption or use, weight, bulk, liability to damage, &c. Classes A, B, and C are devoted to the heaviest and least damageable, whilst Classes 1 to 5 comprise all kinds of lighter articles. The regulations governing the same are :—

Classes A and B.—Applicable to consignments of four tons and upwards, station to station, comprising such traffics as coal and coke, iron ore, pig iron, stone.

NOTE.—When Class C traffic is forwarded in less lots than two tons, railway companies charge 1s. 5d. off the Class 1 rate; the charge, however, arrived at in this manner must not be less than the Class C rate, plus 2s. 8d. if the Class 1 rate is noted as including collection and delivery ; or, the Class C rate plus 1s. 4d. if the Class 1 rate is noted as carted at one end only ; or, if the Class 1 rate is noted as station to station, the charge must not be less than the Class C figure.

Class C.—Applicable to consignments of two tons and upwards, station to station, comprising such traffics as grain, potatoes—old, in bulk or sacks, oil cake, soda.†

* By kind permission of the Co-operative Wholesale Society.

† For Scotch traffic there are two "C" rates in operation—one for two tons and upwards, the other for less quantities.

Classes 1 to 5.—Applicable to consignment of any weight (subject to the scale for small parcels).—Rates for these classes, unless otherwise provided, include collection and delivery, within the boundaries prescribed by the railway companies at the various places. The goods included in these classes are so multifarious and diversified that it would be impossible to do more than to indicate them, e.g., Class 1 includes sugar; Class 2, bacon; Class 3, hardware; Class 4, light drapery; Class 5, furniture.*

Consignment Notes. When forwarding goods by railway a consignment note should be given in all cases, containing a full description of the goods, in order to ensure correct charging, otherwise difficulties and disputes may arise, e.g.—

If "heavy drapery" were consigned simply as "drapery" the 4th class rate would be charged instead of the 3rd class rate.

Again—

If a consignment were simply described as "1 box" the railway company would be quite in order in assuming that it contained only articles in Class 5, and would charge accordingly.

In checking accounts, also, it is sometimes difficult to trace a particular consignment, and, in this respect, consignment notes are invaluable, especially if they are numbered progressively, and have a letter indicating the department from which the goods have been sent.

It is important that a goods receiving book should be kept by those whose duty it is to accept deliveries. This book should contain number and description of packages received, route, carter's sheet reference, carriage (if any), and invoice folio.

Goods Receiving Book. When consignees are asked to pay carriage on goods that

* Examples of conveyance and service terminal charges are given in Appendix 59.

should be delivered free, delivery should not be refused, but full particulars communicated to senders, and if, as often happens, the package is addressed "paid," the address card should be handed to the railway company, who will accept in lieu of charges demanded.

Railway rates are the prices charged by railway companies for carrying goods from point to point. These are divided into two sections, "class" and "exceptional"

Railway Rates. Railway companies are always willing to meet the trade by granting exceptional rates,

on application, if sufficient inducement is offered, *i.e.*, if the goods move in large quantities, or are sent regularly in such a manner as will effect economy in the use of stock and decrease the cost of conveyance. Numerous articles, such as grain, hardware, groceries in Lists 1 and 2, vegetables in Class C, &c., are often carried at exceptional rates.

Undue Preference. Railway companies are prohibited by law from giving undue preference to any trader, class of traders, or the traders in any district, over any other trader, &c.

Rate Books open for Inspection by Public. Railway companies are compelled by law to keep rate books at each of their stations, showing all rates in operation from or to that station, and these books are open to inspection by the public during all reasonable hours.

Analysis of Rates. Railway companies are also required by law to furnish an analysis of any rate quoted by them within one week after receipt of an application in writing addressed to the secretary of the railway company. Before

taking advantage of this clause, it would perhaps be advisable to submit the matter to an expert for advice so as to prevent as far as possible any cause for irritation of the railway officials which might eventually militate against societies in the shape of concessions withheld, of which they might otherwise have reaped the benefit.

Where rates do not include collection or delivery, the

railway companies are entitled to charge a reasonable sum for cartage. This charge varies according to **Cartage.** the nature of the district, the size of the town, and the extent of the carting area.

If railway companies' trucks are detained underload beyond a reasonable time, railway companies are entitled **Detention to Trucks or Demurrage.** to charge for such detention. The time allowance for discharging is usually forty-eight hours after arrival, and the charge per day, or part of a day, beyond that time, three shillings per truck.

Where rates include collection and delivery by the railway company, and a society carts goods by their own, or hired teams, they are entitled to a rebate off such **Cartage Rebates.** rates; the quantum of such rebates, however, varies, and the society should ascertain what the railway company is prepared to allow, and, if they do not consider the amount satisfactory, they would do well to refer the matter to the C.W.S. for investigation.

Railway companies are bound by law to give reasonable facilities for the junction of private sidings with any railway belonging to or worked by any such company, **Private Sidings.** and reasonable facilities for receiving, forwarding, and delivering traffic upon and from those sidings.

Owners of private sidings can claim a rebate off the station and service terminals commensurate with the extent of the services which those terminals cover, of which they relieve the railway company. **Siding Rebates.**

For some classes of goods, eggs and cheese for instance, alternative rates are offered, one at railway company's risk, and a lower one at owner's risk. Both rates must be quoted, the higher rate first, with an intimation that at that rate the railway company take the "ordinary risk of a carrier," **Alternative Rates, O.R. or C.R.**

but, if the sender wishes the goods to be carried at his own risk, and will sign the prescribed form of risk note to that effect, the lower rate will be charged. When the sender does not sign the risk note the higher rate will be charged.

The contract to carry goods at the "owner's risk" exempts the railway company from the ordinary risk incurred by goods in transit; but not from liability for wilful negligence or pilferage. The point for the consideration of the trader is: Will the extent of the traffic and the advantage gained in the rate compensate for an occasional breakage, &c.? It is invariably wise to accept damaged goods when offered, as in the case of perishable goods carried at owner's risk the railway company would not entertain the claim, but would sell to best advantage and refund the amount realised to consignees, who themselves could possibly have effected a better sale.

The party paying carriage must invariably claim for loss at the invoiced cost. Claims should contain full forwarding

Claims for Damages. and receiving particulars—in the case of outward traffic, consignee's name and address, consignment note date and number; and for inward traffic, sender's name and address, date of delivery, and carter's sheet reference. Make claims immediately after receipt of goods. Three days only are allowed, though the company may waive that. It is best not to try them.

Railway companies are protected by the Carriers Act from liability for damage to any specified article detailed in the appendix of the classification book under that Act whose value exceeds £10, unless specially declared at the time of forwarding, and an amount for insurance prepaid.

Smalls' Scale. Consignments of goods not exceeding 3cwt. each are charged at the scale for small parcels, and in no case is the charge for a consignment exceeding 3cwt. to be less than as for 3cwt. at the scale. The scale is embodied in the railway clearing-house

classification, and for details of it, please refer to that book. The charges on goods under this scale are very heavy, and should be avoided by traders as much as possible; compatible with the exigencies of their business.

This scale applies to traffic between Scotland, England, and Ireland, but for purely local Scotch traffic, *i.e.*, from one Scotch station to another, there is a special and more favourable scale of charges for quantities of 3 cwt. and under.*

Coal Wagons. Coal wagons are allowed to stand in a railway company's siding four clear days free of charge, but, afterwards, they are subject to siding rent of 6d. per day.

Returned Empties. Returned empties are charged on a mileage basis, for particulars of which see Railway Clearing-house Classification, pages 153 to 156, 1905 edition.

Split Delivery. When goods are consigned or charged as one lot over the railway, and are afterwards found to involve separate deliveries in lots not exceeding 3cwt., the following charges are made for cartage within the prescribed boundaries :—

In all places except London—

C. & D. traffic, 2d. per cwt., minimum 3d. each separate cartage,

S. to S. traffic, 3d. per cwt., minimum 3d. each separate cartage,

but not to exceed the charge that would be made for cartage of 3cwt.

In view of the fact that competition is so keen, and prices

* Scale of charges for small parcels by merchandise train, applicable between stations on the North British Railway, and also with stations on the Caledonian, Glasgow and South-Western, Highland, and Great North of Scotland Railways, may be had from any of the above companies' stations.

Checking of Railway Accounts. cut to the lowest margin of profit, it is very essential that railway rates and charges should be strictly scrutinised. In order to facilitate the efficient checking of railway companies' accounts, the following suggestions are offered :—

Rule re Checking. 1. A rule should be made to check all carriers' accounts before payment, as mistakes are more easily rectified before than after payment. For particulars respecting the reception of goods, &c., refer to page 21.

Classification Book. 2. A general railway clearing-house classification book should be obtained, and carefully studied. The cost of this book is one shilling, and may be purchased from the head office of any railway company.

Record of Rates. 3. Societies should make and keep a record of all rates in each class appertaining to their business, showing the full conditions of each rate. This record can be compiled from the railway company's rate book.

"Class" and "Exceptional" Rates. 4. No entries should be passed at "class" rates until satisfied there are no "exceptional" rates in force.

Mixed Consignments. 5. When consignments of different classes of goods, each under 3cwt., are forwarded together, if the total weight exceeds 3cwt. by electing to pay for the whole at the higher rate a saving can be effected, e.g.—

2 casks butter, 2cwt. 1qr., at 17s. 6d. (smalls' scale)	s. d.
	2 5

1 bag flour, 2cwt. 2qr., at 14s. (smalls' scale)	s. d.
	2 2

4 7

By paying for 4cwt. 3qr., at 17s. 6d. (tonnage rate) the charge would be	s. d.
	4 2

A saving of..... 0 5

6. If items appear in the railway accounts under the head of "paid-ons"—which may be for cartage, sea freight, wagon hire, &c.—do not pass them for payment until satisfied as to what they represent, and that you are liable for them.
7. Claims for cartage rebate should be rendered to railway company in time for them to check same, and authorise deduction from their carriage account when settlement is made.

**Claims for
Cartage
Rebates.**

STUDENTS' NOTES.

SECTION 3.

Depreciation.

CHAPTER XXI.

Depreciation.

The object of a balance sheet is to show the true position of an undertaking, and it is an axiom of sound finance that the liabilities should not be under stated nor the assets over-stated.

**The Object
of a
Balance
Sheet.**

Some of the amounts which constitute a balance sheet are ascertainable with mathematical certainty by the mere act of bookkeeping, such, for instance, as the share and loan capital, bank balance and cash in hand. Other items, such as stock-in-trade, buildings and fixed stock, require to be arrived at by valuation.

Stock-in-trade is usually valued at cost or market price, whichever is the lower; but in dealing with buildings and fixed stock, different conditions obtain. It would be manifestly both expensive and inconvenient to value assets of this character each time a balance sheet had to be compiled. In fact, such valuations, subject as they would be to the individual opinion and judgment of the valuers, would be so liable to fluctuation that a disturbing element would be introduced into the balance sheet and trading accounts.

As an illustration, buildings valued at £1,000 at the end of one year might the following year be valued at, say, £900, or at £950, according to the judgment of the valuer, being a reduction on the year of £100 and £50 respectively. The amount of the reduction in valuation forms a charge against trading account, and, consequently, it would depend on the valuer whether, in this instance, such charge would be £100 or £50.

It is obvious, therefore, that an arbitrary or fluctuating valuation of property is not desirable, and thus, for purposes of account, a system of valuing by fixed rates of depreciation has, for balance sheet purposes, long been established in the co-operative movement.

Depreciation means a lessening of value, and the term as used in our balance sheets indicates the provision made, by estimation, to cover the amount by which the **Definition of Depreciation.** value of property has, through all ordinary causes, actually declined.

Wear and tear are the chief factors in lessening the value of property, but it may also be lessened by the action of the law of supply and demand. From whatever cause, however, and by whatever means property may be lessened in value, experience has shown that all certainties and all reasonable contingencies may be adequately provided for by the adoption of a system of depreciation ; a system by which may also be ensured a regular and non-fluctuating charge against the trading account, thereby enabling managers, when fixing the selling prices of goods, to include in their costings the actual provision required to cover the estimated deterioration in buildings, fixtures, live and rolling stock, &c.

There has been much controversy as to whether depreciation should be calculated on the original cost of property, or on its nominal value, *i.e.*, on the book value as **Methods of Depreciation.** reduced by depreciation. What are the arguments for and against each method ?

Depreciation on nominal value is a decreasing quantity. For instance, on a property valued at £1,000, the depreciation charge at 5 per cent would be £50 for the first year, and less than £18 after the twentieth year.

Nominal Value. Does property, however, in the ordinary course, actually depreciate more rapidly in the first years of its existence than in the later years ? If not, depreciation on nominal value is not scientific, inasmuch as it does not follow

the contingency against which it has to provide. Further, it is mathematically impossible to entirely write off a property under such a system, even if continued for all time.

In favour of the system, however, it may be held that a new property is less liable to repairs than an old one, and, consequently, in its earlier stages, while depreciation is higher, the charge for repairs is likely to be small ; and *vice versa* when, in later years, repairs may probably be heavier, depreciation becomes lighter ; and so, when the two charges of repairs and depreciation are taken together, a more equitable charge is likely to be maintained in the trading account.

But can this argument be reasonably maintained ? If applied to "jerry-built" property it might have some weight, but applied to the usually well and substantially built store properties, it cannot be held that repairs to the fabric necessarily increase in anything like the same proportion as the depreciation charge decreases. In fact, by far the greater portion of the after-expenditure on store property is contingent, not so much on the ravages of time as on the progress of the movement, necessitating extensions and internal alterations to meet the development of trade and the commencing of new departments, which almost invariably follow the establishment of a co-operative store.

Depreciation on original value involves an equal depreciation charge in the accounts during the time a property has any book value, and this method approximates Original Value. and follows more closely the actual lessening of value of the property.

A comparison of the two methods shows that, on a property valued at £1,000, the depreciation charge at 5 per cent would, on original value, be £50 per annum. The Two Methods Compared. This would continue during a period of twenty years, at the end of which time the value would

be entirely written off in the books. On nominal value the depreciation charge, at the same percentage, would be, as we have previously stated, £50 for the first year, and less than £18 after the twentieth year, or under 2 per cent on the original value, whilst the book value would still be £358, and subject to a continually decreasing reduction by depreciation. At the end of forty years the book value would be £128, and the depreciation equal to about three-quarters of one per cent on the original value.

We have said that depreciation on nominal value is not scientific, because it does not follow the contingency against which it has to provide. From a purely theoretical point of view, the same objection may be urged against depreciation on original value, inasmuch as, in the majority of cases, there will still be actual value in properties, although the book value may be entirely written off. Considerations of policy and prudence must, however, be combined with theory, and one important factor must always be borne in mind, viz., that the business premises of a large proportion of societies are built specially for their particular requirements, and, as such, are not as a rule realisable on the market at anything like their real value as a going concern.

It will be evident from the foregoing remarks that we are strongly in favour of depreciating on original values, and our judgment is based on practical experience rather than on purely theoretical considerations.

How does the question sometimes present itself to committees and managers? A manager who is responsible for the provision of a net profit on trading, which will pay a reasonably good dividend on purchases, naturally keeps a keen eye on the expenses. He may not begrudge fair or even generous wages being paid to the employés, but he will often look with some little resentment on the charges for depreciation. Possibly this attitude is caused by the fact that he looks upon depre-

**Depreciation
and
Management.**

ciation as partly in the nature of a reserve, and, as such, it has not to be paid by the society to an outside party ; that it is, in fact, a " made " charge, and he would like it " made " lighter. In this way come suggestions for relieving the burden of depreciation, foremost of which is the proposal to depreciate on nominal values, and most probably at no greater rates than those established for original values. It is, however, the duty of a manager to rise above a purely departmental view of his duties, and to encourage a system of depreciation which will tend to place his society on an absolutely sound financial basis.

A reduction in the depreciation charge would sometimes, perhaps, allow an extra penny dividend to be paid in competition with a neighbouring society, or it might save a committee the unenviable task of going before the members with a proposal to pay a penny less dividend than usual. At these times the tendency to seek relief in depreciation should be strongly resisted as being antagonistic to the fundamental principle of sound finance. Far rather draw on the declared reserve funds, or pay a less dividend, than interfere with the established rate or method of depreciation.

Fortunately, liquidation is not an everyday occurrence in the co-operative movement ; but when societies do become insolvent, and have to be wound up, how often is it found that their properties realise less than the book values ! Prudence and policy alike suggest that the path of safety lies in the direction of bringing the assets down to realisable values, and not of resting content with the conviction that the book values are probably safe as a going concern.

Now, whilst the depreciation charge has the effect of reducing profits, it must not be forgotten that, at the same time, it provides a reserve capital, which, until required for its own purposes, such as the rebuilding of property depreciated, is available for free use by the society. Consequently, this reserve

**Depreciation
a Reserve.**

capital either saves the society interest, or brings in a revenue towards the relief of expenses, according to the manner in which it is used.

As an illustration, we will assume that a building has been purchased or erected at a cost of £1,000. Depreciation on this at 5 per cent would be £50 per annum. In the first place, this £50 will form a charge in the expenses account, and, being reserved out of the gross profits, the effective capital of the society is at once augmented by the same amount. Thus, in ten years, whilst the trading account has borne an aggregate charge of £500, the money will have either been invested in revenue-earning securities or used in the ordinary business of the society, and have so obviated the borrowing of a like amount of interest-bearing capital. Further, assuming this income or saving to be at the rate of 5 per cent on the accumulated sum, the position at the end of ten years will be that, against the yearly charge of £50 for depreciation, there will be an income or saving of £25. This annual credit will gradually increase until the end of twenty-one years, when it will have reached £50 per annum; at this time, too, the property, having been depreciated on original value, will have been entirely written off in the books of the society, and the depreciation charge will have thereupon ceased. Thenceforward, and until the property has to be rebuilt, the profits of the society will be augmented by a clear £50 per annum.

The rules of co-operative societies vary considerably in regard to the provision for depreciation, and in many cases it is left to the discretion of the members, or of the committee for the time being, whether nominal or original values shall be depreciated, and, in some instances, as to what rates shall be adopted.

We have referred to a number of balance sheets, and find that about half the societies depreciate on original and half on nominal values, and that the rates of depreciation actually charged have been as follows:—

	PER CENT.
Land and Buildings (used in Trade)	$1\frac{1}{2}$ to 5
" " (Cottage Property)	$\frac{1}{2}$ to $2\frac{1}{2}$
Fixtures	5 to 10
Live Stock	10 to 20
Rolling Stock	10 to 20

We consider that a fair minimum rate of depreciation on original values for the various classes of properties would be as follows :—

	PER CENT.
Land (used in Trade)	1
Buildings (used in Trade)	$3\frac{1}{2}$
Land and Buildings (Cottage Property)	$2\frac{1}{2}$
Fixtures	10
Rolling Stock	10 to 20
Live Stock	20
Short Leaseholds—A sufficient rate to write off any balance at least a year prior to expiry of lease.	

Special depreciation of properties is sometimes necessary to meet extraordinary circumstances, and this may be made through the disposal of profit account.

Depreciation on all properties used for trade purposes should be charged to expenses account, and it may not be out of place to offer a few remarks on the **Methods of Apportionment.** methods of apportionment for departmental purposes. No hard and fast lines can be laid down in this respect, but each case must be considered on its merits, the main thing being to keep in view an equitable division as between one department and another.

Depreciation on land and buildings, together with interest on the capital expended thereon, may, for all practical purposes, be considered as equivalent to rent. Therefore, in allocating depreciation on property, we are apportioning part of the rent charge. What method is the most equitable? A division on the basis of sales would be manifestly unfair,

because one department could do a business of, say, £100 per week in premises that might not be half large enough for another department, requiring more space to display its wares, to do a similar amount of trade.

In a rough way, the cubical space occupied by each department affords an equitable basis of apportionment, but this basis requires some adjustment in respect of the advantages and disadvantages of situation. For instance, front premises on the ground floor would naturally bear a higher charge than back premises upstairs. A local knowledge of the relative value of such premises will enable the secretary or manager to make the required adjustment. Depreciation of premises and space used for general purposes, such as offices, board rooms, meeting rooms, main staircase, &c., may be apportioned partly on sales and partly on the departmental space previously referred to. Where premises have been built in sections, or acquired at different times, it is possible that through some cause or other one particular property or section may have been exceptionally costly. Now, in such a case, it would scarcely be equitable to charge the department occupying such section with the full depreciation charge thereon. The whole of the buildings will have been allocated to suit the convenience of the general business, and a department should not be charged more or less for depreciation by reason of the premises it happens to occupy having been exceptionally costly, or exceptionally cheap, as the case may be. The most equitable course is to pool the depreciation charges on the entire block or area, and divide the total as recommended above. An alternative way of carrying out this particular method of apportionment is to fix a rent charge for each branch or department, based on the depreciation of land and buildings and interest on the capital expended thereon. The variation each quarter, which would only be slight, could be adjusted, say, in the central grocery charges, that department, as a rule, being

the most important one. This plan obviates the calculation which would otherwise be necessary, and is sufficiently accurate for all practical purposes.

In case property is bought in anticipation of future requirements, and so long as it is not in use, the depreciation thereon should be charged to profit and loss account.

Depreciation on fixtures should be allocated according to the value of the fixtures used in each department. If, however, no separate account is kept, the apportionment may be made on the same lines as land and buildings, unless there are special circumstances suggesting a different method of division.

Depreciation on live and rolling stock should be charged according to its use by each department; but where a society has a separate carting department, the depreciation should first be charged to that department, when it will be included in the general charge made by the carting department to the other departments for work actually performed.

Closely allied with the subject of depreciation is the question of dealing with repairs and renewals. The foregoing rates of depreciation are suggested on the basis that all repairs and renewals are charged to expenses account, and that nothing will be added to capital except what is clearly and absolutely additional value.

Extraordinary expenditure on repairs or on important structural alterations, which, whilst it may add value as a going concern, yet does not increase the realisable value of the property, should not be added to capital account, but may reasonably be placed to a special account, and the cost spread over a year or more, according to the merits of each case and the importance of the alterations.

In addition to the continuous and regular depreciation of land, buildings, fixtures, &c., it is also of importance that the

Depreciation of other Assets. due depreciation, as occasion requires, of other assets should not be overlooked. For instance,

share and other investments should, when necessary, be written down to their lowest market or realisable values, and this may be done through the disposal of profit account.

Stock-in-Trade which has deteriorated in quality or become out of date should be depreciated and taken into Stock.

stock at realisable prices. All such stock should be promptly disposed of. The first loss is generally the least loss, and bad or old stock should never be allowed to accumulate.

Where credit is given for goods sold, some loss through bad debts is almost invariably experienced. It is wise, therefore

Members' Debts. if there can be wisdom in an unwise system), by depreciation to make some provision for the inevitable loss. In all ordinary

cases we think that if, for balance sheet purposes, debts were taken on the same basis as stock-in-trade, *i.e.*, equal to cost price of goods, a sufficient margin would be obtained to cover ordinary losses. This basis would involve a depreciation of, say, about 20 per cent. Where societies have not already made any provision for bad debts, we suggest they at once make a commencement, and work up by reasonable stages to the full depreciation recommended.

We conclude by emphasising the importance of a generous provision for depreciation. The co-operative store is an index to the conditions of the industrial classes.

Conclusion. When work is plentiful and wages are good, the store at once reflects those conditions by its increased trade and profit. Conversely, the store is extremely sensitive to industrial crises; and fortunate are those committees and managers whose prudence and forethought have so consolidated the position of their stores that they are able to successfully bear the stress of stormy times.

STUDENTS' NOTES.

SECTION 4.

Banking

CHAPTER XXII.

Banking.

BANKING is the business which trades in money-receiving, lending, and changing, and in the issue of notes. The trafficking in bills might be considered, upon **Definitions.** first thoughts, to be outside the aforementioned scope, but on reflection we are perforce compelled to include such transactions within the category of loans. This bill business is simply a payment *before time*; money advanced by the banker instead of the debtor; a loan by the banker until the day of maturity, when a debtor must redeem the obligation. Strictly, the foregoing constitute the proper sphere of banking, although a banker often becomes a trustee, and occasionally a warehouseman, in keeping precious metals, jewels, and documents in safety for customers. Obviously, the profit of banking arises when the banker is able to manipulate finance so that money is obtained at a lower interest than the same money is lent again for.

The Jews are said to have practised banking in the earliest times. It is probably as old as the use of money, and goes **The Origin of Banking.** as far back as the Babylonian period; and later, 1,300 years ago, the Romans founded systems. It is usual, however, to connect the origin of our banking businesses with that period when the Venetians were so eminent, during the twelfth century. The establishment of the Bank of Venice, in 1189, is the first known instance of the foundation of a large public bank. They were at the time involved in an expensive war, draining

the resources of the country, and generally great disorder prevailed. Finances consequently were bad, and the Council (or Parliament) were forced to order a permanent loan of one per centum on income from every citizen, such contributions to bear an interest at five per cent each year. The subscribers were henceforth known as fund holders,

Fund Holders. from which term we obtain our present understanding of public stock (*i.e.*, funds). Certificates were given in exchange for every payment, and they became transferable. The Venetians called the loan by the name of "Monte," which in time, owing to the influence of the Germans, was known as "Banck," and later still—due to the Italian supremacy—as "Banco," or in English "Bank." The word "Banco" actually exists to this day in some parts, and is still used in connection with public loans and public debts, although curiously the English equivalent word has no application to public funds, being applied solely to that business which deals with money as a trade in the buying and selling of it.*

The goldsmiths of London during the Civil War were the first bankers in England. The prevailing insecurity of money and documents when upon the person, or in ordinary houses, compelled the merchants and other wealthy people to seek protection, and they relied on the trust and safety of the goldsmiths. Ere long the latter undertook the systematic receipt of money, finally evolving into general bankers. In the year 1694, Mr. Patterson, a Scotsman living in London,

The Bank of England. formed the Bank of England, and subsequently similar chartered banks were established for Scotland and Ireland. The original intention

* The word "Bank" is derived from the Italian word "Banco," meaning a bench, the Jews in Lombardy having benches in the market place for the exchange of money and bills. This is a common derivation, but a more accurate explanation makes it synonymous with "Monte" (Italian), a mound, heap, or bank. Thus we get Monte di Pieta (a charity bank).

was to lend all moneys to the Government. The Bank of England—especially since the year 1844—has been the centre of our banking activity. It is managed by a governor, a sub-governor, and twenty-four directors; fixes the bank rate, takes charge of the moneys of the Government, and holds the reserve cash of other banks. The Bank so controls our national finance that it is in a position to circulate or withdraw gold from the markets, and it unquestionably assists our credit in times of crisis or panic.

One often hears the question asked as to what is the true meaning of the term “bank rate”? and, generally speaking,

The Meaning of Bank Rate. the interrogation may be answered by saying that the bank rate is the name applied to the

price at which the Bank of England is willing to grant loans. Obviously, the price must vary with the supply of money, and the demand for the same, and, although the published rate is a nominal minimum quotation, yet in practice many bankers will grant loans at a lower price. The effect of raising the rate brings gold to us from abroad; to lower it makes capital susceptible to foreign attraction. Questions involved in discussion upon the bank rate are so numerous and far-reaching that space forbids further comments, but we may say that a high bank rate means good business in the country generally, and it is well to remember that the rate also determines the interest which bankers are able to allow upon moneys placed with them on deposit.

A bank note is legally a bill of exchange (or we may include it under promissory notes) issued by a banker for the

Bank Notes. payment of money to bearer on demand. Bank notes for less than five pounds value are for-

bidden in England, and do not, under any condition, come under the law as goods or securities, or documents for debt. This is important, and as in the case of stolen money the rightful owner cannot recover a note after it has been paid away upon a *bonâ-fide* transaction. When the owner of a

Bank of England note has lost it, he can procure another by applying to the bank and giving a good indemnity. If a payee of a note does not present it promptly, he cannot recover its value from the person from whom he received it, should the bank meanwhile stop the payment. But when taking a note (except one issued by the Bank of England) the receiver may request the endorsement of the party giving it. The effect of this makes the latter liable in case the bank stopped payment before presentation. Without an endorsement there is no liability. In respect of stolen notes already mentioned, the person who finds himself with their possession must satisfy a judge that he gave adequate value for them; otherwise all value in the notes is entirely gone from the holder.

Many of the financial crises which have come from time to time are attributed to the excess issue of notes by bankers, and in the year 1832 a Committee of the House of Commons—said to have been pre-eminent in expert knowledge—sug-

Limitations. gested certain limitations upon the issue. An

Act was passed by which the issue of notes from any new bank was, for the future, prohibited. Since the year mentioned, many of the private banks which were in existence then have succumbed, and because of this we might almost say that the entire issue of notes in these days has fallen within the sphere and control of the Bank of England. At the present the note issue of the latter is permitted to exceed £50,000,000, but part of this amount is required to be backed by certain cash reserves. Bankers and cheques are inseparable, and we may add that cheques

Cheques. are the most remarkable instance of the efficacy

of trade usage, and the outcome of the change during the last half-century in banking business. At first bankers gave their own notes in exchange for investments, but now they cede to their customers the right to demand varying amounts, whatever is written by the customer so

long as the drawing does not exceed the account. This slight modification in method has, however, largely changed the legal relationship of banker and customer, involving many discussions betwixt learned counsel and judgment surprises ; necessitating new and modern interpretation of the law, and its codification, in the Act of 1882. Thus a banker, if he has funds of the drawee, is bound to pay upon presentation of a cheque on demand. The law says that when a cheque is not presented for payment within a reasonable time of the issue, and the drawer suffers damage through the delay, he is discharged to the extent to which he is the creditor of the bank to a larger amount than would have been the case had the cheque been paid at the proper time. A crossed cheque is one which bears across its face an addition of the words :

- (a) "and Company," or any abbreviation thereof, &c.,
&c. ;
- (b) or two parallel lines, with or without the words
"not negotiable." (See section 76 of Bills of Exchange Act.)

It is crossed specially when the name of a banker is also upon the face. A drawer may cross a cheque generally or specially. A holder may cross a cheque also, generally or specially, and in either case can add the words "not negotiable," which makes the cheque of such a character that the holder cannot give a better title than he has himself. Hence the words operate as a note of warning to all persons who take a cheque so endorsed, that they do so at their own risk and are subject to any dispute. Crossing a cheque prevents the holder from obtaining ready cash, as the bankers may only place the amount to the credit of the customer in his ledger account. Cheques should always be drawn upon the forms provided, but there is nothing to prevent a cheque being drawn on an ordinary sheet of paper, though in that instance the signature must be written across a penny postage stamp. When a cheque is undated, the holder may insert what apparently

should be the true date, and also there exists no restriction against cashing a post-dated cheque. Should the words and figures differ, the banker can refuse cash, but only where the difference is material. Cheques to order are transferable after an endorsement is made upon the back, and if a name is wrongly spelt the cheque should be similarly endorsed, and the correct name added beneath. Endorsers may name a particular person, in which case the endorsement is special and the cheque can only be paid to the party named—otherwise the endorsement is termed "general" or "in blank." Formerly an endorsement was necessary for all cheques, but the usage of bearer cheques has altered this. In Scotland, however, even bearer cheques have to be endorsed before the bank will cash them.

The regulations laid down at the Bankers' Clearing House with respect to the honouring of cheques, instruct that a banker receiving cheques from a customer for Honouring Cheques. credit has, with those drawn upon bankers and

others in the same locality, the whole of that day and of the following for presentation, and if unpaid the cheques must be returned to the customers during the same evening. Cheques payable in other localities, the banker has until the evening of the day after receipt to post them to an agent for collection, and the latter has also the day after his receipt of same for presenting to the drawers. A banker, as agent for his customer, is liable for any neglect or wrong doing in carrying out his agency.

A co-operative society should stop payment at the bank of any cheque which apparently has got lost in transit.

In theory, any money which is now paid into a bank becomes the absolute property of the banker, and is legally known as *Mutium*. The banker is not the trustee, or the bailee, in which case it would be termed *Depositum*. The banker is a debtor, and is enforced to deliver back to an equal value in exchange.

Mutium and Depositum.

Hence banking resolves itself into ordinary mercantile debit and credit, and the principle underlying this is traceable to the old Roman law, and to the works of Pothier and other celebrated advocates in their discussions upon the personal duty to pay future debts.

Our first impression of a bank is that such an institution stands upon a firm cash foundation, as distinguished from every other business which is largely upon credit. Reflection, however, will show us that the money dealt with by a banker must belong to other people—the customers; only a very small proportion is ever the property of the bank shareholders. In fact, the success of any banking institution depends upon the conduct of a large business upon a minimum of capital. To illustrate this we need only refer to the official records of several leading banks, and compare the extent of the businesses with the ratio of paid-up shareholders' capital. For examples, we find the latter in Lloyds' is 6 per cent; at Parrs' it is also 6 per cent; at the Union Bank is 9 per cent; and at the London and County and Capital Counties Bank is 5 per cent. Considering these facts, it is therefore of the utmost importance to a co-operative society to use the greatest caution when selecting a banker. Ordinarily,

open a banking account, a customer requires
**On Opening
an Account.** money in hand unless the banker considers that he has ample security otherwise. The banker has a right to refuse an application, and also, at the request of a customer, may place funds upon deposit, when the money will bear interest to the customer, usually $1\frac{1}{2}$ per cent below bank rate.

Fortunately the Act of 1862 allowed the formation of Joint-Stock Banks, and a condition of their existence was that periodical balance sheets were to be published correctly setting forth the accounts and financial position. Thus a co-operative society has ample opportunity, through this channel, to select the soundest

**The C.W.S.
Bank.**

institution. But co-operative societies should also consider the claims of their own bank—that established by the Co-operative Wholesale Society.* It has peculiar advantages, and is solely adapted to the needs of our movement. Among other commendable points we may note the following :—

- (1) The accounts are submitted yearly and are audited by public auditors.
- (2) All securities are overhauled by the auditors.
- (3) The list of shareholders is published annually by the Inland Revenue authorities.
- (4) The account is worked on a small commission.
- (5) Strong vaults and strong rooms are provided for the safe custody of deeds and cash.
- (6) The money can be used again by co-operators, and the depositors receive interest on their unemployed cash.
- (7) Money can be more economically used by lending to the advantage of co-operators generally by the bank making advances to societies on the deposit of deeds, mortgage, or other tangible security.
- (8) The profits made are distributed as follows :—

Customers with a credit balance with the bank receive about 1 per cent over the interest they would get from the usual terms allowed by the ordinary banks.

Customers with a debit balance share in like manner, on the debit balances advanced on their accounts, to the extent of about 1 per cent : non-members would receive $\frac{1}{2}$ per cent.

- (9) A society conducting its business on ready-money principles would have all its capital in active operation by banking with the Co-operative Wholesale Society. Its surplus capital would realise interest. The share contributions and deposits of members

* See also Chapter XX., pages 166–70, “Industrial Co-operation.”

would commence to be remunerative from the day of deposit. This prevents total loss while waiting to expend the money in the society's business operations.

If a society decides to open its banking account with the Co-operative Wholesale Society, a copy of its rules, particulars

How to Join. of membership, and a copy of the balance sheet must be forwarded to the C.W.S. bank department.

The bank department will then send a form of resolution to be passed by the committee of the society, authorising certain persons to sign cheques on its behalf. Payments to the credit of society's account can be made through various channels by arrangement. Societies are supplied with cash advice forms for the purpose of advising the bank when paying money to their account. The bank in time advises the society of its receipt, and the amount is then duly credited to the account. A cheque book is sent to enable the society to draw on the bank's head office. The cheque requires the date, to whom payable, and the amount to be paid, to be filled in and signed by the persons authorised, whose signatures should agree with the specimen signatures supplied to the bank. Pass books are supplied duly recording the amounts deposited and withdrawn, which are made up frequently, and should be compared with the society's own books. A certificate is sent to every customer half-yearly stating the balance to the debit or credit of the society; this should be examined, and if correct must be duly signed and returned to the Co-operative Wholesale Society for the auditors.

Financial arrangements should be made at the commencement of every society by taking ample borrowing powers in

Loans. the rules, especially in those societies where a

large proportion of capital is likely to be expended in buildings, shops, and dwelling-houses; and there should be provisions so that these buildings could be converted into a mortgage to meet the demand for ready funds should a crisis occur.

The Co-operative Wholesale Society advances or allows an overdraft upon approved security of land and buildings, and charges interest on the average daily balances advanced, and not upon the amount agreed to be advanced. Some banks and insurance companies would require like repayments at certain periods, but they charge interest on lump sums.

While mentioning the matter of loans, it is not inopportune to casually dwell upon the complicated question of

Legal Mortgages. mortgage since loans are generally made upon the security given by mortgages. These mortgages are of two kinds, viz. :—Legal mortgages and equitable mortgages. The first is made by deed and consists of two parts, viz., 1st, a covenant (*a*) to repay a sum on a day fixed, (*b*) to pay interest, and (*c*) to continue to pay interest if the principal is not repaid on the specified date; 2nd, a conveyance of the property absolutely subject to a proviso for redemption.

Equitable Mortgages. An equitable mortgage, which does not apply to Scotland, is an agreement to execute a legal mortgage, and is a convenient way of raising money without the delay and expense of preparing deeds, or in cases where a lease contains a covenant against assignment. An equitable mortgage may be stamped at any time before the expiration of thirty days after it is first executed, and at a later time with a penalty. Further advances may be made upon the same provided an additional stamp be added; the memorandum should be presented for stamping before the expiration of thirty days from the date of the new advance, or a penalty will be incurred.

A bank has the right to foreclose on an equitable mortgage, but cannot execute the power of sale until there exists an agreement to draw up a legal mortgage; and a bank cannot ordinarily appoint a receiver, but the courts have general jurisdiction in such cases.

After a mortgagor has mortgaged property, all the interest

he has left in it (apart from the right of possession) is his right to redeem it, better known as equity of redemption.

Assuming that the mortgage is a legal mortgage made by deed, the bank has the following remedies :—

- (1) To sue upon the covenant for payment.
- (2) To bring an action for foreclosure.
- (3) May exercise the power of sale which is now implied in every legal mortgage.
- (4) May appoint a receiver of the mortgaged property so as to secure the rents.
- (5) May go into possession.

Where a bank takes a second mortgage to secure a specific sum, and future advances, and the mortgagor makes a second mortgage, with notice of the prior mortgage, the bank is not entitled to priority for future advances made after notice of the second mortgage.

The survey of banking cannot be dismissed without a passing remark upon the important matter of liens.

Ordinary banks have a general lien, *i.e.*, the right of retaining, not only for the debt incurred, but for the general balances

Liens. owing by the owner to the bank on all securities deposited with them in the ordinary course of banking business, unless there is an implied or express contract to the contrary. On negotiable securities this includes a right to realise and recoup from proceeds; with other securities a banker has no right of sale. No general lien arises where an asset is expressly pledged to meet a special liability, nor on property left at the bank for safe custody.

The Scottish banking system is so different from the English that some brief observations are necessary. In

Scottish Banking. Scotland the essential features of banking are
 (1) the comparative freedom of note issues, and
 (2) the cash credit system. We have seen that in England the issue of bank notes is largely restricted. So also in Scotland the banks have to retain bullion against their

note issue. With respect to the cash credit system sureties are found for any customer requiring a loan, and the bank advances ready money, only charging interest upon the daily debit balance. The object has been to enable the poor man to start in business, and others with limited means have been supplied with funds to develop their trade, which otherwise would largely suffer for lack of capital. Undoubtedly the system has been an immense boon to Scotland.

The question of stamps pervades that of banking, so it is needful to remind readers that an ordinary agreement requires Stamps. a 6d. stamp, which may be adhesive and should be affixed at the time of signing the agreement, but it can be stamped by an impressed stamp within fourteen days. A bill of lading requires a 6d. stamp ; a delivery order, a 1d. stamp ; and a dock warrant, a 3d. stamp, &c.

It is well that the officers of our societies should realise how near some of their transactions are to banking. (See Societies and section 19, Industrial and Provident Societies Banking. Act, legal section, for powers possessed by societies.) Great care requires to be exercised in the receipt and payments of moneys for shares, loans, or penny bank, in order to prevent a violation of the rules, and an infringement of the Act.

No moneys can be paid out on demand ; proper notice is necessary, and such withdrawals require to be passed or agreed upon by the committee, and paid only to the authorised person. If other than the member concerned should come for the money, a letter authorising such payment to be made should be sent to the committee, duly signed and witnessed.

It is hoped that this brief record on such an important subject will be of some service to co-operators, and especially Reflections. to the pioneers of new societies from time to time. Fortunes have been made from banking ; fortunes have been lost ; commercial crises have been caused

through speculative bankers ; a nation's credit has often been redeemed by the opportuneness of its bankers, but apart from these generalities there is no question that banks and bankers have rendered the greater part of capital active. Dead stock has been converted to activity, business has been expanded, and commodities cheapened. In these days the banks can exercise a great effect upon our trade and commerce in the application of their funds, and as co-operators we can only hope for the dawn of the day when our kith and kin will dominate the financial arena, when co-operative banks for the people, returning the immense profits of the business into the people's pockets, will be an accomplished and enduring fact.

Another view of Banking, with special reference to the C.W.S. Bank, is given in Appendix I, Section 4, which the student is urged to study in conjunction with this chapter as an aid to a more comprehensive knowledge of this subject.

STUDENTS' NOTES.

SECTION 5.

**Markets, Quality of Goods, and
Sources of Supply.**

CHAPTER XXIII.

Markets, Buying, and Quality of Goods.

THE Markets of the world are open to the co-operative buyer. Notwithstanding the many attempts which have been made by private merchants, at the **The Attempts to Close Markets.** behests of private traders, to close some of the avenues of commerce to societies, no permanent inconvenience has resulted. The daily requirements of the members have been supplied, and co-operative production has been stimulated to an unprecedented degree. This happy issue is largely attributable to the unique and powerful position held by the Co-operative Wholesale Societies Limited, in maintaining the rights of co-operators and meeting the exigencies of those times with a dignity that reflects undoubted credit upon the movement.

Markets may be divided, roughly, into three sections—home, colonial, and foreign. With regard to the last two, **Colonial and Foreign Markets.** the Co-operative Wholesale Societies are the only co-operative organisations which can deal adequately with them. They are really beyond the reach of distributive societies. The purchases from those sources have to be on a very large scale to command attention, and can only be met by merchants or warehousemen whose business it is to distribute in broken quantities to the retailer at a small margin of profit to cover the cost of importation, and other labour and capital charges.

The retail co-operative buyer, then, has mostly to deal with the home markets, but there is no reason why he should

not keep himself closely in touch with all the incidences which lead up to the fluctuations in the price of commodities, so that, whilst he may not be in a position to buy direct from the sources of supply, he may yet be able to denote by careful study the prices which goods ought to bring on the market.

The main factors that influence the markets are—

- | | |
|--|-------------------------------------|
| How the Markets are Influenced. | (1) Supply and demand. |
| | (2) Speculators. |
| | (3) Fluctuation in exchange values. |
| | (4) Finances. |

Necessarily the shortage of supplies will lead to an advance in the price of the goods, owing to the competition there will be to get hold of what there is. Sometimes this shortage is more apparent than real, inasmuch as speculators know the value of “cornering” to reduce the supplies below normal, and thus create a fictitious value which it is their purpose to grasp at the proper moment for their own advantage.

On the whole, there is not much difficulty in the matter of exchange values between countries with a gold standard coinage, but there can be no mint par of exchange between a gold standard country like ours and a silver-using country like China. The value of silver is in a constant state of fluctuation, and bankers are agreed that any attempt to fix a ratio between the two would only lead to confusion.

There is no doubt that the condition of finances or banking has either a stimulating or a retarding influence upon commerce. This is amply illustrated, on a smaller scale, by the operations of banking in Scotland and Ireland. If the rate of interest be high, industries are crippled, shortages ensue, and markets rise ; whilst, on the other hand, a low rate of interest and free circulation has the opposite effect.

The home markets might be broadly divided into two sections—viz., producers and distributers—but this definition

Home Markets.

would lead to confusion of thought if accepted, as within the co-operative movement there is a combination of the two qualities.

The markets open to the co-operative buyer may be considered as follows :—

Co-operative Sources.

- (1) Co-operative sources.
- (2) Private sources.

The co-operative sources form two distinct phases of the movement—

- (1) Consumption the basis of wealth.
- (2) Production the basis of wealth.

The former is represented by the Co-operative Wholesale Societies Limited, which are both producers and distributers, and which are entirely owned and controlled by the federated distributive societies, the profits being divided amongst consumers only ; whilst the latter is composed of productive societies, chiefly producing all the goods they sell, and whose capital is subscribed, variously, by societies and individuals, and the profits mostly shared between capital, labour, and custom.

The ramifications of the Co-operative Wholesale Societies are almost illimitable. Certainly to tabulate them at this point would mean that some revision would be necessary in a short time, so rapid are the developments of the institution. For a full list of these the student is referred to the "Co-operative Wholesale Societies' Annual" for the current year, while the "Labour Co-partnership Year Book" gives a brief *résumé* of the work of the productive societies. The former have warehouses in the chief centres, and depôts in outlying districts, with a large number of travellers representing each department ; whilst the latter do their trade almost exclusively by travellers and exhibitions.

It sometimes happens that societies located in agricultural districts are compelled by force of circumstances to

Local Supplies.

purchase home products from their own members, or farmers in the district, or some co-operative agricultural association. It is a matter of reciprocity. Especially is this so with respect to farm, garden, and dairy produce. To this no grievous objection can be taken. Indeed, it would perhaps be more to the advantage of co-operators if a livelier interest were taken in the stimulation of home-grown agricultural products. There is a wide field open to the supply of cattle, fresh butter, cheese, eggs, poultry, fruit, vegetables, honey, and milk. There are some farmers' co-operative associations, mostly in the eastern counties, that are successfully conducting businesses on these lines.

The old border-line of specialisation in districts has almost broken down. The demands of the large industrial

Open Markets. centres has made it imperative that general supplies should be had from local warehouses.

In many respects this is an advantage, saving travelling and transit expenses.

With so great a variety of trades within the co-operative movement, each has its own method of buying and sources of supply. It should be distinctly understood that the open market is the last resort of the co-operative buyer. It may be necessary to go to the quayside for fish, to the cattle market for cattle, or to other markets to get other goods not procurable from co-operative sources ; but the reason for so doing should be beyond question.

Too much may be made of the open market, as against the co-operative market. Carried to extremes it is **Reflections on Buying.** reprehensible, and means the reversal of the policy that brought the Wholesale and productive societies into existence. Just as shopkeepers make leading lines to entice customers, so wholesale houses offer special inducements to attract co-operative buyers, their ultimate object being to recoup themselves in other directions.

This system of trading should be severely tabooed, and as a retail society expects the loyal support of its members, so co-operative institutions ought to command unswerving confidence and loyalty on the part of the buyer.

The co-operative buyer who, without strong reasons, passes co-operative sources of supply incurs a heavy responsibility, and cannot be said to be serving the best interests of his society or its members. Co-operation in buying, and in manufacture, ought to be regarded as essential, and as economical as selling. Every purchase outside, that can be made from within, weakens our position and strengthens that of our opponents.

Buyers should, therefore, be in sympathetic touch with the movement, understand its principles, and make it their duty to assist in the development of the institutions which have been inaugurated to cater for the wants of co-operators.

The Co-operative Wholesale Societies were formed for many reasons, among others—

- (a) Self-defence.
- (b) To secure better terms for retail societies.
- (c) To concentrate the needs of the movement.

The success of these societies entirely depends upon the support accorded by co-operative buyers, and their customers.

Coupled with these, there are the co-operative productive societies, which have for their object the emancipation of the worker, infinite in variety, and numerous, mostly relying upon the trade and goodwill of co-operators. (See Chapters XIII. to XVII., "Industrial Co-operation.")

Buying should at all times be regarded in the light of a sacred trust, and not undertaken with a light heart or in a careless spirit.

Every purchasing contract* should be so carefully and intelligently made as to bear the most stringent scrutiny. Bargains ought to be religiously carried out, even if disadvantageous; otherwise the buyer will place himself under an

* See Appendix A1, Section 5.

obligation to the merchant, which may prove awkward in the future. He should avoid any action that may compromise him with those with whom he has business relations; in short, every step taken should be above reproach.

The position of a buyer to a society is somewhat different to what it is in the private trade. With the latter every nerve is strained to increase returns and profits of business, not always on the lines of fair representation. The unprincipled method, too, of offering certain lines below cost price is exceedingly deceptive, and misleading to the public. In these things the co-operative buyer needs to exercise much precaution and judgment. With him, moral considerations enter into every transaction. Attention has to be given to the purity, quality of goods, and the conditions under which they are produced. He becomes a co-partner in a great social movement, and he should know the commercial value of commodities to such a nicety as to discriminate between what is harmful or beneficial to the body corporate. In this respect co-operative sources of supply will be of material service to him.

The growth of a society's business, in this competitive age, largely depends upon the tact and skill of the buyer. He must have a thoroughly practical acquaintance with the technicalities of his trade ; understand the conditions underlying the constant change of markets, so as to take advantage of low quotations when an advance is imminent ; and possessed with as much tact, foresight, and judgment as will ensure successful buying.

He should possess unlimited powers of restraint ; be unaffected by flattery and cajolery of merchants and travellers. A good memory for detail and a systematic method of doing his work are indispensable.

To exhibit at all times those gentlemanly qualities of courtesy and politeness, whether in or out of the market, seems superfluous to mention.

Those qualities are equally applicable to all trades, though special accomplishments may be necessary in textile buyers, such as natural taste and special study of the vagaries and fickleness of fashion.

The first essential in good buying is to have a clear and well-defined conception of—

- When, What, and How to Pay.**
- (a) The class of goods that are required in the neighbourhood in which the store is situated, and
 - (b) The quantities that can readily be disposed of to advantage.

The requirements of districts vary considerably, and what may be good and saleable stock in one locality will prove to be unsaleable in others, consequently a careful survey of the particular needs of the district must be made.

For example, in the North, Danish butter is the rule, together with smaller quantities of Irish and farmers' country butter ; while in the South they use French and Italian fresh butter, Colonial and Irish, and there is a greater demand for cheap stuff.

Canadian and States cheese in the North, with a very large consumption of Cheshire, and a small proportion of other kinds. In the South, the major portion is Canadian and States cheese, and, in varying proportions. Cheddar, Gorgonzola, Edam, Gondas. &c.

In the North, Irish and American rolls are generally used green, as well as home-fed ; in the South, smoked bacon is the rule—Canadian, Danish, and Irish, in sides with bones in.

Sugar in the North is sold in large and small white crystals and granulated ; a very small quantity of Demerara is used, and no yellow crystals. On the other hand, in the South, yellow crystals, granulated, and very large quantities of Demerara ; cubes, as in the North, but no white crystals.

In the North, they use small currants and Sultanas, with a very small proportion of Valencias. In the South.

Valencias take first place, Sultanas second, and bold currants are used.

Butchers' meat is generally home-slaughtered in the North, with a very small proportion of colonial; while in the South one-third is colonial and two-thirds town killed. Oil shops are scarce in the North, but common in the South; and, to a large extent, draperies, clothing, and boots are of more stylish and lighter sorts than in the North.

Stocks may be subdivided into perishable, semi-perishable, and non-perishable according to the nature of the goods.

After having arrived at the conclusion that it is either necessary or expedient to buy, the next consideration would be when, how, and where to buy.

The prudent buyer will carefully weigh every circumstance. When goods can be produced *ad libitum* moderate buying should always be the rule, and the quantities that will command the most favourable terms in price and carriage should never be departed from.

With perishable goods, the greatest care must be exercised, not to exceed the quantity that can be reasonably expected to be sold to advantage, having regard to the season of the year and local circumstances.

The buyer should take note of, and classify in his mind, goods that are affected in the reverse order by the same cause.

Cause and effect are indissolubly joined, operating in opposite directions with different articles. There may seem to be no possible connection between hams and onions, but the person who stated that if he knew the course one would take he could prophesy what would happen to the other was not far wrong, as the weather operates upon them inversely.

Again, articles that seem to have no connection with one another are affected by the same causes, being produced in the same countries and subject to the same conditions. As instances of this, it may be pointed out that cotton and corn, sugar and chicory, are similarly affected.

Fashion must also be dealt with, and in this connection it must be remembered that it applies equally to food as with **The Effect of Changes.** dress. The human system requires, and loves, change; this operates upon the community, and in turn upon trade.

For example, the public taste seems to have completely changed in the matter of salt; the demand is now for food that is perfectly fresh and saltless. The food of twenty years ago would be ruthlessly condemned to-day. The successful buyer will, therefore, have to try and gauge the trend of public taste, and may at times have to anticipate a little, although, as a rule, it is not policy to be in the van in this particular. Care should, however, be taken to avoid the mistake of confusing private with the public taste. A buyer's personal taste may differ materially from that of his customers, and he must not fall into the error of allowing his own taste to interfere with his duty to his clients.

It is very important to see that comparisons are faithfully made, and that the "unit" is the same in every instance, and **Comparisons.** the conditions similar. Sellers try and make the "face value" of an article appear as low as possible, and consequently all the evidences must be carefully considered, otherwise the transaction may not be as beneficial as it seemed, and the apparent low price may be more than discounted.

As "custom of the trade" is a legal defence, the buyer ought to make himself conversant with the rules that govern **Trade Customs.** the trade of the article he purposes buying, and the conditions that are attached to the transaction. It should be clearly understood what discounts or allowances are included in the price; whether the cost of carriage is borne by the seller or buyer, and if the buyer, where from. Supposing the goods are of foreign manufacture, by whom the freight and port charges are payable; whether the weight, measure, or count is actual or nominal.

A record should, of course, be made of every transaction.

Buying Records. The card system, with particulars of the class of goods ordered, quantities, price, date of delivery, &c., is commended as a memorative.

The careful buyer will have to be on his guard against the artificial demand that is sometimes created by heavy advertising, and, though it may be his duty to supply his customers with what they want, it is also his duty to his society, and to himself, to weigh up the probabilities of the permanency of the demand. He will have to remember that oftentimes the demand will only last as long as the advertising continues, and will buy accordingly. Some years ago we were met at every turn with an injunction to ask for a certain article, and see that we got it, whereas now, if we asked for it, it could not be procured.

It will be wise to keep in mind the fact that the lowest priced article is not necessarily the most economical, and that the heavy demand for cheaper priced goods generally causes them to be proportionately dearer than they should be.

The object aimed at should be satisfaction to the user, and only on these lines can a business be built up and maintained. The "catchpenny" trade has no permanency about it, and ought to be ignored, as the public, who are the ultimate judges, know what they want and what it is worth.

Never try to trade upon the credulity of customers, it will not pay in the end, and such conduct ought not to find a place in the co-operative commonwealth. One of the most successful business men of the last century left it on record that his success was due to the fact that his customers "always came back."

Speaking generally, it is a mistake for the buyer in the retail business to speculate. This temptation must be rigidly guarded against; in the long run, it hardly ever succeeds, as the habit grows, and usually over-reaches itself.

Nevertheless, there are times and seasons when it may be suicidal not to anticipate the legitimate requirements of a society, and opportunities may pass never to return.

Before doing so, however, the prudent buyer will carefully weigh all the dominating factors, with probable results. In the case of produce of a seasonable character, every care should be taken to ascertain the conditions and climate of the exporting countries.

Very frequently a shortage in one country is made up by excess in another, and this aspect of the question must engage attention.

A drought in one centre of production may seriously curtail growth, whilst in another part of the world the conditions may be favourable for heavy crops, which will more than compensate for the shortage elsewhere.

It should be remembered that there are very few articles of consumption that are produced exclusively in any one part of the earth, and that new markets are continually being brought into existence.

It should be borne in mind that, as a rule, heavy crops are usually followed by light ones, and that nature works by **The Economics of Buying**. extremes. The highest tide is followed by the lowest ebb, and the laws that govern nature rule in commerce.

When high prices obtain through scarcity, it is necessary to exercise great caution, and supplies should be replenished judiciously.

"Coming events cast their shadow before." The effect of a good crop is usually discounted long before it is actually reaped, and the reverse of this is equally true, as short crops generally make themselves felt early.

Regard must also be had to the possibilities of substituting one commodity for another; an illustration of this may be cited of a lard speculator being ruined, because, although carefully calculating the position of **Alternatives**.

that article, he overlooked the great number of possible substitutes.

Then, again, it must not be forgotten that the public will not pay over a certain price for an article other than a necessity, and this may result in an almost complete stagnation in that branch of trade. A very marked instance of this kind took place a few years ago, when currants, which cannot be substituted, and are only grown in Greece, rose very considerably in price, and the public refusing to respond brought ruin to a large number of firms.

No trouble should therefore be spared to arrive at the actual facts as early as possible. Thanks to the enterprise of the press, the markets of the world are within the reach of everyone, and very little exclusive information is now to be obtained. Whilst it sometimes happens that "inspired information" gets its way into the press, it may generally be taken for granted that the reports are in the main correct and reliable. A constant study of the market reports is therefore essential, and no business man can afford to ignore them. At least one good trade journal should be carefully studied, if the buyer wishes to keep abreast of the times.

Glossary of Terms used in Business.

- A 1 First-class.
- A.R. All risks.
- A/S Account sales.
- B/D Bank Draft.
- B/L Bill of lading.
- B.P. Bills payable.
- B.R. Bills receivable.
- C. & D. Price includes collection at starting point and delivery.
- C. & F. Price includes cost of the article and freight. All charges from ship's deck payable by buyer.

- C.F. & I. Price includes cost of article, freight,
 and insurance. All other charges
 paid by buyer.
- C.I.F. & C. Cost, insurance, freight, and commission.
- C.P. Carriage paid.
- C/P Charter party.
- C.O.D. Cash on delivery at the appointed place.
- Ctge. Cartage.
- D/A Documents attached.
- D/D.... Demand draft.
- D.P. Duty paid and included in price.
- Ex Ship..... Buyer pays all charges from level of
 ship's deck.
- Ex Quay Seller pays all quay charges.
- F.A.A. Free of all average.
- F.A.S. Free alongside ship.
- F.A.Q. Fair average quality.
- F.F.A. Free from alongside ship.
- F.O.B. Free on board ship.
- F.O.R. Free on rail.
- F.O.T. Free on trucks.
- F.P.A. Free of particular average.
- G.A. General average.
- G.O.B. Good ordinary brand.
- m/m Made merchantable.
- O.R. Owner's risk.
- Original weights ... Buyer pays for the weight at point
 where goods originated.
- P.V. *Petite Vitesse* : goods train.
- S.S. Steamship.
- (s.s.) or S.V. Sailing ship.
- S. to S. Station to station.

For extended references to trade and market terms, &c.,
 see Appendix A2, Section 5.

CHAPTER XXIV.

Sources of Supply.

GROCERIES AND PROVISIONS.

WHEAT is grown in nearly every quarter of the globe, but mainly on the American Continent. Roughly speaking, one fifth of the world's supply is contributed by the Wheat. States and Canada, but new sources are being constantly opened up. Australia, India, and Argentina have become heavy exporters within recent years.

Flour is now principally made in England, as it is found that a blend of wheats is best suited for the Flour. purpose. Comparatively little flour is imported into Great Britain at present.

Our chief supply of butter comes from Denmark, which exports about 50,000 tons per annum, and, measured by the Butter. standard of either population or area, it is by far the largest butter-producing country in the world. Ireland is steadily improving her methods, and is likely to become a keen competitor for supremacy in the near future. Canada, Australia, and Argentina also send us large quantities, whilst Siberia is fast becoming a centre of butter production.

The sugar cane is grown in most tropical climates, but we trade mostly with Java, Cuba, and Brazil. Beet sugar is Sugar. extracted from the white beet, which is extensively grown in Germany, Russia, France, and Austria. The quantity of sugar produced is about 9,057,000 tons per annum, 46 per cent of which is extracted

from cane, and 54 per cent from beet. The United States, with their possessions, the Sandwich Islands and Cuba, produce about 1,980,000 tons of cane and beet sugars. Great Britain holds the record for consumption at present, which is about 78lbs. per head of population. The value of sugar imported, as shown by the Board of Trade returns for 1904, was—unrefined, beetroot, £4,476,408; cane and other sorts, £2,985,669.

Syrup and Treacle. These are by-products of sugar refining.

Bacon. England and Ireland have always been noted for their bacon, but for quantity and the lower-priced article in popular demand we depend upon America, where pigs are largely bred, cured, killed, and marketed on scientific principles. Some idea can be formed of the trade when it is pointed out that as many as 40,000,000 hogs have been killed in a year. During recent years Denmark and Canada have become active competitors for our trade, and as the bacon produced in these countries is milder cured and better flavoured than American, the demand for it is on the increase. The old-fashioned method of heavily salting the meat is dying out, and the Danes claim that by a process known as auto-curing—*i.e.*, injecting brine into bacon—it can be consumed within a week from the killing of the pig. Good bacon has a thin rind, white, firm fat, bright flesh, and should be free from taint. Exposure to strong light should be avoided, as it causes loss of colour and flavour. The variety of cuts is almost numberless, but Cumberland, Wiltshire, and bellies are the most useful and profitable.

Hams. Hams are cured like bacon, cut in many ways, are largely affected by the weather, and require careful attention, as they will not keep so long as bacon, and their thickness naturally makes them more difficult to cure.

Lard, properly speaking, is the fat that surrounds the

Lard. kidneys of the pig, but in reality it is composed of every kind of fat that can possibly be obtained by rendering. We almost wholly depend upon America for our supply of lard ; the quantity produced in this country is very small, compared with the consumption. Two sorts are imported, viz., refined original or prime steam lard. The latter is refined in this country, and before it is considered fit for use it is often rendered down and mixed with "home" lard. Some years ago the imported lard was largely adulterated with cottonseed oil, but, thanks to the vigilance of our authorities, this is now a thing of the past. The adulterated article is known by some fancy name such as lardine, lard compound, &c. In continental countries lard is largely used instead of butter. Speculation in lard is very violent, and in consequence frequent fluctuations in price take place. It has been known to change in value five times in one week. The annual production of lard in America exceeds half-a-million tons, about half of which is exported to this country and the Continent.

Cheese. The quantity of cheese exported last season from the United States only amounted to about half the total of five years ago. Canada has, however, enormously increased her output, and we draw the major portion of our requirements from that country. We receive annually from four to five million pounds' worth from America and Canada, in addition to which we obtain supplies from the Continent and have our own home productions.

Tea. Actual experience alone can teach how to distinguish the various sorts, a knowledge of the distinctive flavours being necessary to determine the origin of any tea. The following may prove useful as a rough guide :—

The teas used in this country come almost entirely from India, Ceylon, Java, and China ; those from other sources being mainly of an experimental nature. The three former

countries send "black" tea only; China sends both "black" and "green" teas.

Indian, Ceylon, and Java teas are divided into two divisions, viz., whole leaf and broken leaf, which further are classified as under :—

LEAF TEAS.

Flowery Pekoe, consisting of finest leaf only, usually made with the natural "down" preserved, so as to give the bright golden-orange appearance known as "tip." Orange Pekoe comes next, with an even twisted leaf, generally well tipped, but not always so. Pekoe, a lower grade than Orange Pekoe, with a bolder leaf and fewer tips, sometimes none, but equals Orange Pekoe for liquorizing qualities. Pekoe Souchong, as its name implies, is an intermediate grade between Pekoe and Souchong, is generally below Pekoe in price, but has often a more useful liquor than a second-rate Pekoe. Souchong, a bold rough-leaf tea, usually thin liquorizing, but occasionally thick or pungent.

BROKEN LEAF.

These are the broken leaf varieties of the classes mentioned above, as will be understood from the title.

INDIAN TEAS.

Indian Teas vary according to the district where grown. Assam teas are the best, having strong, brisk, and full liquors, with great pungency; the leaf is well made, of a greyish-black colour with a shade of brown. Dooars are thick strong liquorizing teas with a brownish-black leaf. Cachars approach Dooars in character, but are inferior somewhat in quality. Sylhet teas have generally thick, heavy, flavourless liquors, with a blackish leaf. Darjeelings are the most flavoursome of Indian teas, with thinnish, pungent liquors; the flavour approaches that of a wild currant. Kangras are on the style of Darjeelings. Travancore tea approaches a low-grown Ceylon tea in character. Wynnaad teas are thin and "green" in liquor, and generally are poor in quality.

CEYLON TEAS.

These may be divided into two classes—hill-grown, having the rich flavoury true Ceylon character in liquor; low-grown, having thick, heavy liquors, deficient in flavour.

JAVA TEAS.

These teas have a distinctive flavour of their own, but in the better grades approach the Assam sorts; are more “tippy” than Indians generally.

CHINA TEAS.

China teas comprise “black” and “red” leaf Congous, scented teas, and “greens.” The “black leaf” Congous, or Monings, come from the Northern district, and comprise the Ningchou, Kintuck, and Canfa classes, which possess evenly twisted greyish-brown leaf, with soft, delicate flavoured, and aromatic liquors. The “red leaf” Congous, or Kaisows, are from the Southern district, and consist of the Seumoo, Panyong, Saryune, and Souchong classes, with Newmakes and Paklins. Kaisows have a reddish-black leaf, bolder than the Monings, with stronger, brisker liquors, and slightly smoky or tarry flavour. Paklins are thick, dull teas, with even, small, blackish-grey leaf. Paklums are an inferior variety of Paklin.

Scented teas comprise Caper, an olive-green shotty leaf tea, sometimes with a black glazed appearance, highly scented; Canton Orange Pekoe, a large spidery leaf tea, from one to two inches in length, and scented. Foochow Orange Pekoes are very small in leaf, of a dark green colour, and highly scented.

Green teas comprise two classes, which may be either Moyune, a bright green coloured leaf, or Ping Suey, a bluish green coloured leaf. (Sow-mee is a form of Ping Suey.) The former being the finer grade. The two classes consist of Gunpowder, a curly shotty leaf tea, with pale yellow liquor of very astringent character; Hyson and Young

Hyson, the natural leaf of the tea, evenly twisted, with liquor similar to that of Gunpowder.

Oolong teas, although coming chiefly from Formosa, are classed as China teas. They have a large coarse yellow-brown leaf, with a yellow-brown liquor, thin and nutty flavoured.

Coffee is not much in favour in England, and is a declining quantity, mainly because of the care and trouble necessary to produce a good cup of this refreshing and exhilarating beverage. Compared with Continental Europe and America, the consumption of coffee is particularly small, and is less than 1lb. per head per annum, as against 8lbs. or 9lbs. in some countries. We draw our chief supplies from the East and West Indies.

Cocoa. Cocoa is made from the seeds or berries of a tree that grows principally in South America, which, after being fermented, are sun-dried. On arrival in this country the husks or shells are removed, and the beans are roasted in much the same way as coffee. The surplus fat is then extracted, after which the bean is ground to a powder. Possibly no article of commerce has been adulterated more than cocoa, but the public are urgent in their demand for purity, in consequence of which the consumption is on the increase.

Preserved Goods. Enormous developments have taken place within recent years in preserved foods. The process being comparatively easy, we are enabled to enjoy fruits out of season, at prices within the reach of all.

Salmon. The heaviest " pack " of salmon is that which reaches us from the Pacific Coast alone. As many as 5,000,000 cases of 48 tins each have been packed or preserved in a single season, but on account of over-fishing the quantity is now much less than it was a few years ago. The principal districts are the Columbia and Fraser rivers, Puget Sound, and the Alaskan Coast. Each of these districts

produce a class of salmon peculiar to itself, varying considerably in colour, flavour, and size. The finest salmon are those of the Columbia river, but as the fish is of a pale colour, it is not appreciated in this country. Next in order of merit comes the Sockeye species, caught in the Fraser river, which both suits the taste of the public and pleases the eye. The largest quantity comes from Alaska, but the quality is the poorest, because the water is too cold for the fish to thrive in. The texture of the fish is poor, the flavour very indifferent, and cheapness is the only merit it possesses.

The better qualities of sardines are produced in France, **Sardines.** but the cheaper goods, packed in poorer oil, come from Portugal and Spain. Norway also supplies us with an increasing quantity of sardines.

Meats. Meats are packed in Chicago and neighbourhood, as also are ox and lunch tongues.

Rabbits. Rabbits come mainly from Australia.

Frozen meat reaches us in large quantities from America, **Frozen Meat.** though mutton comes principally from Australia and Argentina.

Live cattle are shipped from the United States and Canada in very large consignments. The quantity exported from that country is about 600,000 yearly. **Live Cattle.**

FRUITS, &c.

These come chiefly from California, as the climate of that **Canned Fruits.** country is very favourable for the production of every kind of fruit. Apricots, peaches, and pears are the chief products. Pines are packed in the Singapore district only.

At present we receive our main supply of tomatoes from Italy, America, and France. During recent years the former has nearly displaced the latter countries. **Canned Tomatoes.**

Currants are grown exclusively in Greece, all attempts to grow this species of grape elsewhere having ended in failure.

Dried Fruits—Currants. The grapes are gathered in bunches, dried in the sun, stalked and winnowed, and, with the exception of the cleaning process, they are ready for consumption. The better qualities are grown on the banks of the Gulf of Corinth, whence the name currant is derived. In addition to those used for food, a considerable quantity is used for making wine.

Raisins are dried grapes, and the different grades take their names either from the species to which they belong or from the district in which they are grown.

Raisins. Sultana raisins are grown in Turkey mostly, but a small quantity is produced in Greece. Valencia raisins are grown in Spain, and the distinctive colour is given by dipping them in a solution of hot lye.

Muscateis. Muscateis come principally from the district of Malaga, in Spain, but California and Australia now produce large quantities, as the muscat grape is easily grown.

Figs. Figs are cultivated in nearly all hot climates, but our market is supplied almost entirely by Turkey. Greece and Spain, however, send us a small quantity of a poorer description.

A few years ago we drew our supplies of these from France; then Bosnian plums became popular, but recently California has entered the lists, and has become a large contributor, as the soil and climate there are suitable to the growth of this class of fruit.

Dried apricots, peaches, greengages, and pears reach us from California.

Fresh Apples. The English supply falling much short of our needs, Canada yields our main supply of apples, whilst we receive fair quantities from America, Australia, California, Belgium, France, and Spain.

Pears. Pears are imported from the Continent of Europe.

Oranges. Oranges reach us from many quarters of the globe, but those from Spain constitute our main supply.

Tomatoes. Tomatoes arrive in the main from the Canary Islands and Spain.

Bananas. Bananas are exported to us from the Canary Islands, but recently large quantities have come from the West Indies.

Lemons. Lemons are grown principally in Sicily, whilst small quantities come from Spain.

Grapes. Grapes are exported from Almeria, in Spain, where they grow in great profusion ; earlier varieties come from Portugal.

Onions. Enormous quantities of onions are imported by this country. The earliest to reach our shores are from Egypt and Portugal, Spain following with her supply, whilst Continental Europe also sends us a large quantity.

Rice. Rice, the staple food of half the human race, is not much consumed in our country, and rice cleaning as an industry is almost extinct here. Nearly all rice is now imported in a cleaned state. We draw our supplies of rice from India, Japan, Java, Italy, and America.

Sago. Sago is the pith of palm trees grown in the Far East, and reaches us from Singapore.

Tapioca. Tapioca is extracted from a root largely resembling our parsnips, that is grown in most tropical climates, but more especially in the Straits Settlements and Penang.

Arrowroot. Arrowroot is the starch extracted from a root that grows in the West Indies, notably in Bermuda and Jamaica.

Barcelona nuts—the nut mostly favoured in this country—

are grown in the district of Reus in Spain, and shipped at Tarragona. It is a kind of hazel nut, cultivated Nuts. on a large scale, and kiln dried.

Brazil nuts, as implied by their name, are grown in Brazil.

Almonds are grown in the East of Europe, chiefly in Spain, from whence we import the kinds best known in England as Valencias and Jordans.

Castor oil nuts are grown in Africa and America.

The ground nuts that reach this country are grown in West Africa, but they also grow in profusion in other parts of the world.

Chestnuts come largely from Spain, whilst walnuts are imported from France and Italy.

By far the major portion of the tobacco used Tobacco. in England is grown in the Southern States of America.

For supplementary lists of sources of supply, with months in which goods are on the market in this country, refer to Appendices 1 and 2, section 5.

CHAPTER XXV.

Tests for Quality.

GROCERIES, &c.

Arrowroot is frequently adulterated with common starches, or sometimes these cheaper starches may even be sold alone instead of arrowroot.

Arrowroot.

The poorer starches may be recognised immediately under the microscope owing to the peculiar shape of the granules of arrowroot, which are entirely different in appearance to the granules of other starches.

For practical purposes, however, the following tests are generally sufficient to detect impurity :—

(1) When boiled with a little weak sulphuric acid in a test-tube, pure Maranta arrowroot gives off no odour, but in the case of potato and other cheap flours there is a distinctly disagreeable odour present.

(2) If potato starch be shaken up with a little rectified spirits of wine (pure alcohol) in a test-tube and the liquid tasted, there will be noticed a disagreeable and acrid taste. If arrowroot be treated in a similar manner there will be no taste beyond that of the pure alcohol.

Alum is sometimes used to adulterate baking powder. In order to detect it the test mentioned under flour and

Baking Powder. bread for the detection of alum can be used, only of course allowing all effervescence to cease before adding the carbonate of ammonia solution.

Butter, according to the law, must consist solely of the

fat obtained from cream. Cheaper butters, however, are frequently sold adulterated with fats of poorer Butter. quality and less price. These fats, of which margarine is the most important, can be detected by the following rough tests :—

(1) Fill a test-tube full of the suspected butter, place it in a beaker of boiling water until the butter is entirely melted. It will be at once noticed that there are two layers of liquid in the tube. The bottom one consists of water, salt, and whey. The top one, if the sample is pure, will be perfectly clear fat. That is fat that has just one melting point ; if, however, margarine is present then pieces of solid fat will be seen floating about, because margarine does not melt until the heat is much stronger than is necessary to melt butter.

This test can be observed, also, by heating the test-tube until the whole is liquid, and then setting it aside and observing it from time to time as it cools. If pure the fat will solidify in one piece, but if margarine is present then the solidification will commence by flakes and then lumps of fat floating about, and finally the whole will solidify.

(2) A very quick but also very rough test for margarine is as follows :—Procure some cotton thread and pleat it, then draw it through the sample of butter. Ignite one end of it, and when it is well alight, blow it out, and notice the smell of the smoke. If it smells like a freshly extinguished tallow candle then margarine is present. Butter gives off no disagreeable odour under these circumstances.

Another important adulterant of butter is water. Although there is a certain amount allowed to be present, yet this amount is often exceeded. To determine the percentage of water proceed as follows :—Place in a weighed evaporating dish a certain weight of butter. Put the dish into an oven and allow it to remain there until it is noticed that there is no more steam coming out of the dish. This indicates that all the water has been driven off. Allow the

dish to cool and carefully weigh it. The loss in weight is the amount of water contained in the weight of butter taken, and it is easy to calculate the percentage of water present from those figures.

Example.

Weight of dish $1\frac{1}{2}$ ozs.

Weight of dish and butter $2\frac{1}{2}$ ozs. before heating.

" " " $2\frac{3}{4}$ ozs. after "

Loss in weight $\frac{1}{8}$ oz.

That is 1 oz. of butter has lost $\frac{1}{8}$ oz. of its weight, or percentage - $\times \frac{100}{1} = \frac{1}{8} \times 100 = 12\frac{1}{2}\%$ of water.

Lard. Lard is nearly always pure, but the test given under butter, of melting a tube full of the butter, is the only rough method which can be applied to lard. In the case of pure lard, however, there should be only one layer of liquid and that should be perfectly clear.

Cinnamon. Cinnamon is the bark of a tree cultivated chiefly in Ceylon, and belonging to the laurel family. The bark is obtained from branches about three years old.

These are cut off, split lengthwise, and the bark carefully peeled off. The strips are rolled one inside the other and dried in the sun. The resulting sticks are light brown in colour, of the thickness of an ordinary pencil, and have a sweet taste and aromatic smell. The cinnamon stick, when broken, breaks with an uneven fibrous margin.

Cassia. Cassia is the bark of another tree belonging to the same family. It is sometimes substituted for the cheaper qualities of cinnamon, but it can be easily distinguished by its darker colour, stronger and bitter taste, its thickness, and also when it is broken it breaks with a clean fracture similar to glass.

Ground Cassia, however, may be substituted for or

added to ground cinnamon. Flour which has been baked and thus browned has also been added.

Adulteration, however, such as these two drugs are subject to can only be detected by the use of a microscope and by an expert analyst.

Cloves are the flower bud of the clove tree, and are plucked when bright red in colour, and allowed to dry in the sun. The best cloves are plump, heavy, **Cloves.** and dark brown in colour, and, when slightly nipped or scraped with the finger nail, exude a small drop of oil. Inferior cloves are lighter both in colour and weight, and in appearance are very shrivelled, and, from being poorer in oil, have a feebler taste and odour.

Coffee as generally sold—that is ground and roasted—may be adulterated with chicory, carrots, parsnips, and **Coffee.** various other roots. These roots when they have been roasted and ground, look very like ground coffee, and thus a small quantity may be added without attracting attention. None of them, however, resemble coffee under the microscope, and they can all be detected by the use of that instrument.

Chicory, however, is the chief adulterant, and it may be detected as follows:—Drop a pinch of pure coffee into a beaker full of water, then add a pinch of the suspected coffee to water in another beaker. If chicory is present the colour of the water in the beaker will darken much quicker than the water in that beaker containing the pure coffee. This test depends on the fact that when chicory is added burnt sugar is also added to keep the colour of the sample, and it is the burnt sugar present that darkens the water so quickly. Coffee may be tested roughly in several ways. For instance, when pure coffee is pressed between the fingers it should not cake, as it would were burnt sugar present. When pure coffee is placed on a plate and moistened with a few drops of cold water the particles should not soften as they would if they were adulterated as above.

To increase the weight coffee is sometimes adulterated with iron rust in a fine powder. This can be detected by drawing a magnet through the mixture.

Chicory is liable to be adulterated with nearly all the adulterants of coffee. Indeed, when adulteration of coffee (other than by chicory) takes place it is **Chicory.** generally the chicory that has been adulterated before it has been added to coffee to be sold as a mixture of coffee and chicory.

Sometimes cocoa may be adulterated with chicory and burnt sugar. This can be detected by a microscopical examination, and also by performing the test **Cocoa.** mentioned under coffee with the two beakers. Cocoa, when pure, colours cold water very slowly, while cocoa when mixed with chicory and burnt sugar colours cold water fairly rapidly.

Generally, however, starches are the common adulterants of cocoa, and when these are added, so long as they are present only in small quantities and the mixture is not sold as pure cocoa, the article is not considered to be adulterated.

It is somewhat difficult to detect roughly the presence of adulterants in flour, as there are so many qualities sold.

Flour. However, the following few properties of good flour may assist in detecting it from flour of inferior standard. Good flour should, when a handful of it is pressed, remain in the shape of the hand. It should be a faint yellow in colour, and when made into dough, with a little water, should stick together well and be drawn out in strings.

Flour is sometimes adulterated with commoner starches, as potato starch, with mineral substances, as chalk, alum, silicate of magnesia, sand, and other white heavy powders. To detect these impurities the following tests may be used :—

(i) *Potato Starch.*—Repeat the tests given under arrow-root. Namely (i), Shaking the sample with a little pure

alcohol and tasting. (2) Boiling the sample with a little dilute sulphuric acid, and noticing the odour.

(2) *Alum*.—Alum may be detected in the following manner either in flour or bread:—Make about 1oz. of tincture of logwood by soaking $\frac{1}{2}$ oz. of logwood chips in 1oz. of pure alcohol for seven days and then pouring off the clear liquid. Also make 1oz. of a solution of carbonate of ammonia by shaking $\frac{1}{2}$ oz. of carbonate of ammonia with 1oz. of water, allowing the liquid to settle and pouring off the clear liquid. Now take about $\frac{1}{2}$ oz. of flour and make it into a paste with a little water. Mix with this paste about twenty drops of the tincture of logwood, and then about twenty drops of the ammonia carbonate solution. If there is a fair amount of alum present, then the colour of the paste will turn to lavender or blue. Should alum be only present in a small quantity, and the blue colour does not appear readily, it is best to set the paste in a warm place for several hours, and then notice the colour. A pink colour, after this test, will almost certainly denote that the flour is free from alum.

In order to apply this test to bread it is necessary to weaken the two test solutions. Take $\frac{1}{2}$ oz. of each solution and add them to a wineglass of water. A piece of bread to be tested is then soaked in this liquid for ten minutes, and after removal dried in a warm oven. Should alum be present the resultant colour will be lavender or blue. But if alum is absent then the colour will be a dirty brown.

(3) *Chalk, &c.*.—These heavy powders may be detected as follows:—Place half a teaspoonful of flour in a test-tube and fill the tube with chloroform. After vigorous shaking set the tube to one side and allow the liquid to clear. All the flour will rise to the top of the tube leaving the adulterants, sand, chalk, &c., at the bottom where they will be easily seen.

The value of flour to a baker depends to a large extent on the quantity, and more especially on the quality, of gluten

**To Test
Flour.**

it contains. Gluten is insoluble in water, and when dry it is in appearance like light-coloured glue—hard and shining. When wet and left in contact with water it decays and decomposes ; its elasticity and power for bread making will then be deteriorated.

Gluten tests are easy and safe guides when estimating value. The best glutens are pale glossy brown and yellow ; inferior glutens are dark brown and slate colour.

* Take 1oz. of flour and $\frac{1}{2}$ oz. of water, place in a basin and mix into a dough. Cover it up and let it lie for three hours.

**To Test for
Gluten.** Hold it on one hand under a dribble of water from the tap, gently squeezing with the other

hand until all the starch is washed out and the water runs clear, not milky. Carefully weigh the gluten that remains, and then find out the percentage it bears to the total weight of flour. By testing one class of flour against another it is possible to tell which is richest in gluten.

Care is required, however, to see that no flour is spilt, and that no gluten adheres to the hands. In making the dough use a glass rod, and until you have acquired some experience in squeezing starch out of dough, it may be necessary to use a piece of miller's silk. Everything must be accurately and carefully weighed.

The difference in colour of gluten of the various flours when testing denotes the quality.

Take the wet gluten and test its elasticity by pulling and stretching.

To show expansion when baking, put the gluten in a tin box, thence on an oven pan, and bake in oven. When baked, the gluten that expands most is strongest. Examine colour also when baked.

A very simple test, though not absolutely reliable, is to take a small box and press the flour down into it firmly and smoothly. Dip the box slantwise under water until the whole of the surface is thoroughly wet ; withdraw, and lay it aside to dry, taking

**To Test Flour
for Colour.**

care to keep it out of dust. This wetted and dried flour will show the colour. A small pocket lens is invaluable for this test.

Weigh 1oz. each of the samples of flour, and add to each $\frac{1}{2}$ oz. of water. Mix into a dough. The different degrees of stiffness will be an indication as to which is most absorbent. Let the dough stand 24 hours covered up. The flatter the dough runs out, the weaker the flour.

To Test for Absorption of Water.

To be exact, make a second test, and add a little more water to the stiffer samples, weighing the quantity accurately. When the dough has attained the same consistency, calculate the percentage.

The most reliable test for flour is by baking it into bread, and as the bulk of the bread sold in England is made in tins, while the major portion of that made in Scotland is batch bread, the baking test would require to be made with the kind of bread sold in the district.

To Test by Baking.

As tests must be carefully made to be of any value, it will be necessary to note the heat of flour as well as the heat of water, and adopt a standard for all baking tests.

The heat for flour should be 58° Fahrenheit; water 98° Fahrenheit; quantity of flour 6lbs.; water, $3\frac{3}{4}$ lbs.; salt, 2 ozs.; malt extract, $\frac{1}{2}$ oz.; yeast, 2 ozs. (yeast should be used in all tests). Mix well; cover up the dough when made, and keep in a temperature of 65° Fahrenheit; let it prove for an hour and three-quarters; examine, and, if ready, weigh and mould the loaves, and lay up in board to prove. Be careful in moulding batch bread, so that each loaf may be the same shape; with tin bread, put each loaf into the same size of tin. When all are ready, bake; not before.

When baked, compare for outward appearance; and when cold, cut through a loaf of each, and compare for texture, colour, and general appearance, and note particulars in test book.

Ginger is the scraped and dried rhizome of the ginger plant, which grows abundantly in tropical regions. When the plant is about one year old, the rhizome is dug up and washed. A common example of a plant having a rhizome is the "iris," that broad-leaved plant which grows abundantly in marshy places. The black knotted parts which grow just under the ground are the "rhizomes," the roots being the small hairy strands below these. When ginger is powdered it is more frequently adulterated than when it is whole. The chief adulterants are starches, flour, and rice. All these tend, however, to make the ginger bright in colour, so that a colouring, such as tumeric, is added to deepen the sample. This can be detected as follows :—Smear a piece of blotting paper with a sample of the suspected ginger, add a few drops of the solution of ammonia, and notice the colour produced. If there is a distinct deep brown, then it at once denotes the presence of tumeric, as pure ginger does not change colour with the action of ammonia.

Linseed is the seed of the flax plant. These seeds are collected when ripe and slightly dried. Poorer qualities are sometimes adulterated with cereal grains and other seeds. In the whole state, however, the presence of adulterants can easily be detected by the eye. It is in the crushed linseed that adulteration is more frequent. To test for flour starches, &c., the procedure is as follows :—Boil a small quantity of the meal in a test-tube with a little water; allow to cool, and pour off a few drops of the liquid into another tube; add some water and then a few drops of the solution of iodine. If there is an immediate blue colour perceptible, then the presence of adulterants, as flours and starches, is confirmed.

Another adulterant of good crushed linseed is "oil cake." This is linseed which has had all the oil pressed out of it, and is not allowed to be sold as linseed meal. The presence of

oil cake can, with a little practice, be detected by feeling the meal with the fingers. Good meal should be very oily, and when gripped in the hand should retain the shape of the hand. Another test is to determine the percentage of oil present. This is done as follows :—Weigh out 1oz. of the meal, shake it in a bottle with about 3ozs. of carbon bisulphide for about half-an-hour. Allow the liquid to clear, pour off as much as possible, and carefully collect all the meal on a sheet of blotting paper. After allowing it to become thoroughly dried in the air, weigh it again and determine the loss in weight from the first weight (1oz.) taken. It is now an easy matter to calculate the percentage of oil that has been abstracted. If this percentage is below 30, then the meal is of very poor quality, and in all probability has had some oil cake added to it.

Best mustard is a mixture of powdered black and white mustard seeds. It is of a greenish-yellow colour, odourless when dry, but exhaling when moist a pungent, Mustard. penetrating, and peculiar odour, very irritating to the nostrils and eyes. Wheaten flour or starch is sometimes used to adulterate mustard, the loss in colour being compensated by the addition of some tumeric. The tumeric is detected by using the test described under "Ginger." Cayenne pepper is sometimes used, after the addition of starch, instead of tumeric ; it deepens both the colour and the pungency. In this case the following test is applicable :—Add a pinch of the mustard to a test-tube half full of water and boil for a few minutes. Allow the liquid to cool and pour off a few drops of the clear liquid into another tube. To this tube add a few drops of the tincture of iodine and then fill it with water. If the mustard has been adulterated with starch and cayenne pepper there will be a distinct blue colour in the liquid.

The principal adulterant of olive oil is cotton seed oil. This can be tested for in the following manner :—Obtain

from a chemist the following mixture :

Olive Oil.

Silver nitrate, 3 grains.

Absolute alcohol, 6 drams

Ether, 1 dram.

Pure nitric acid, 1 drop.

Add ten drops of this mixture to a teaspoonful of the oil in a test-tube and shake vigorously. If no blackening takes place, or even when the tube has been held over boiling water for ten minutes, there is no cotton seed oil present.

Another test to detect in olive oil the presence of cotton seed oil is as follows :—To a test-tube containing one dram of the oil add one dram of pure nitric acid of specific gravity 1.37, and shake vigorously. If the oil is pure olive oil, then the colour of the resultant liquid will be light yellow ; but if there appears a dark brown or reddish colour, then that colour denotes the presence of cotton seed oil.

Pure almond oil is sometimes adulterated with peach kernel oil. This can be detected by using the nitric acid test described under olive oil. In this case the **Almond Oil.** resultant colour will be bright red if any peach kernel oil is present.

Black pepper is sometimes adulterated with mustard seed, pepper dust off floors, and flours ; while white pepper **Pepper.** is adulterated with pea flour, wheat flour ground rice, and sand. To detect these adulterants, however, a very good knowledge of the microscope is necessary. There is a somewhat simple test to detect colouring :—Place a few grains of the pepper in a test-tube, fill with water, shake, and cork securely. After allowing the tube to stand for several days, any colouring present will tint the water.

Pure sugar is very light coloured, highly crystalline, and very dry. Impure sugar is dark, often earthy in appearance, small grained, and damp. With practice it is **Sugars.** not very difficult to distinguish the cane sugars

from the beet, as the best Demerara sugar has a light yellow or straw colour, and the beet sugar a lighter, nearly white colour. Sometimes, however, the beet product may be tinted with a little aniline yellow dye, which makes it the same colour as the cane sugar. The following tests can, roughly, detect this:—Take about $\frac{1}{4}$ oz. of the suspected sugar and place it in a glass beaker with 1 oz. of pure alcohol. After being well stirred, the colouring matter, if any, will have coloured the alcohol. Now draw off the alcohol into an evaporating dish, and gently heat it over a flame until all the alcohol has evaporated. After allowing the dish to cool, the residue in the dish is dissolved in as little water as possible, and a few drops of hydrochloric acid being added, about three inches of Berlin wool is immersed in the liquid and left for two hours. The wool is then taken out, well washed, and dried. If the wool is dyed yellow by this treatment, it is owing to the presence of aniline dye in the sugar. That means that the sample was not pure cane sugar, but was a coloured beet sugar in imitation.

A very simple test is to take about one teaspoonful of sugar and place it in a white cup. Cover it well with dilute hydrochloric acid, *i.e.*, one of acid and nine of distilled water. Stir gently, and if there be any dye present it will colour the acid yellow.

Grape sugar can be distinguished from beet and cane sugars by that when it is warmed with dilute sulphuric acid there is no blackening, whilst if beet and cane sugars are likewise treated there is a distinct darkening.

During the time that tea was high priced, it was probably the most adulterated article on the market. Now, however, owing both to the less price and the vigilance of the Customs' officers, tea is not much adulterated. The following tests, however, are worthy of notice:—

(1) Detection of iron magnetic oxide, which has been added to increase weight, may be performed by powdering

the tea and then drawing a magnet through the sample, when the iron oxide will adhere to the magnet.

(2) Artificial colouring or facing may be detected by shaking up the sample with cold water, when the colouring will dissolve and colour the liquid.

(3) Starch (blackened by plumbago) may be detected by shaking with water and adding, to a few drops of the clear liquid, a few drops of the tincture of iodine, when a blue colouration will indicate starch.

(4) Leaves of other plants are sometimes added. These can be detected with a little practice by steeping the tea in warm water and unrolling the leaves, when a distinct difference in the shapes of the leaves will be noticed.

(5) Exhausted tea leaves, *i.e.*, leaves which have already been used, may be dried and used as adulterants. These may be detected by making an infusion (ordinary "making" tea) of pure tea, using a known weight of tea, and also making an infusion of the suspected tea with the same weight. After drying the leaves and reweighing them, the weights of both should be the same. If that of the suspected is less, it shows that some of the leaves have already been used and are present as an adulterant.

To determine the quality, teas must be liquored. Liquoring is the only real test of quality and flavour. Take tea to the weight of a sixpenny-piece, infuse in $\frac{1}{4}$ pint **Tea Tasting.** of fresh boiling water, and let stand for six minutes exactly. Pour liquor off to last drop into cup and turn out the infused leaf on to a clean white earthenware surface. Conduct operations in clear daylight. Clean palate before tasting. Do not merely sip the liquor, but get it quickly well back on the palate. The points to be looked for are point, pungency, thickness, richness, and body, burnt or over-fermented teas. The ideal tea should possess a brisk, full rich flavoursy liquor, thick in cup, and rich in colour, although not dark. Good tea always looks rich and full, with a reddish-golden tinge in cup. When left to cool.

the liquor "creams down," giving the appearance of milk having been added. (This does not apply to China teas.) If milk is added whilst the liquor is warm the characteristics should come well through. The dry leaf should be of good colour and uniform. Teas with a brownish shade generally give the best liquors. Those with a black pretty leaf often give poor liquors. The out-turn, or leaves after infusion, is generally a clear indication of quality and character. This should approach the tinge of a new penny. Yellow leaf with a greenish shade generally denotes pungency. Reddish infused leaf denotes full rich liquor. Dark infused leaf indicates low grade, and teas of this class require careful handling.

The chief adulterant of vinegar is sulphuric acid. A good test is as follows :—Add about 1oz. of the vinegar to a beaker of water, and add the smallest possible amount of "methyl violet." The colour of the solution, if pure, will be a deep violet; if, however, sulphuric acid is present, then the colour will be changed to blue or green, according to the amount present.

Textiles.

How to distinguish Animal from Vegetable Fibre.

Take a sample of the cloth and boil it in caustic potash lye, when the result will be that both wool and silk fibre will become dissolved, but not the linen or cotton fibre.

To discover Cotton in Linen or Woollen Fibre.

Place the sample into a mixture of two parts of sulphuric acid and one part of saltpetre for eight or ten minutes. After removing it wash thoroughly and dry, then immerse it in a bath of ether containing alcohol which has the effect of dissolving the cotton (if present), while the woollen or linen fibres will remain uninjured. Fibres composed of cellulose such as cotton, &c., if treated with iodine and sulphuric acid

are rendered blue in colour, which is not the case with animal fibres.

Wool and Silk Fibres distinct from Cotton and Flax. Treat the material with picric acid which will have the effect of dyeing the former almost to a fast yellow, while the latter will remain unaltered in colour.

To determine whether Woollen Cloths contain Flax or Cotton. Immerse a sample in a bath containing a solution of concentrated sulphide of sodium; this has the effect of dissolving the wool and the sample can then be entirely freed from it by merely washing in hot water; the residuum will be cotton or linen fibre. In a cotton or linen mixed fabric, a strong potash solution will only impart a very slight yellowish tinge to the cotton fibre, while the other will be dyed a deep yellow. A mixed cloth after being removed from this solution would present a striped or spotted appearance. Silk fibres become dissolved when treated with concentrated muriatic acid.

The easiest, readiest, and perhaps the most satisfactory method which can be adopted to distinguish the different fibres which compose a sample of any cloth is in the use of the microscope, but, of course, the examiner must necessarily be acquainted with the appearance of each. Wool is more or less waved, and is covered with serratures similar to that of a fir cone. These serratures overlap each other and present innumerable little points, varying in number from 1,200 to 3,000 per inch. They interlap with one another, and impart to the thread spun from them the tensile strength which it possesses. In flax and silk fibres the surface is smooth and of a hard appearance, but the great lengths of the fibres overcome the absence of the natural twist; in the corrugated and the serrated edges of the internal surface of the flax fibres a wavy shading appears, while the silk fibres are straight and glossy in appearance, with few or no marks.

STUDENTS' NOTES.

SECTION 6.

The Utility, Organisation, and Control of Productive Departments.

CHAPTER XXVI.

The Utility, Organisation, and Control of Productive Departments.

CO-OPERATIVE societies usually commence by retailing the necessaries of life—groceries and provisions, and as business develops keep adding other distributive departments, which finally places them in a position to produce some commodities for themselves; although in some cases we have large societies, notably Leeds, that started as producers.

Preliminary Considerations. The difficulty is to find men (in small societies) with sufficient knowledge and experience to guide and enable them to advance with safety, men who will know when to inaugurate productive effort, and when it is necessary for them to conserve and consolidate the business.

This knowledge can only be gained by experience, and as it is impossible for small societies to pay for the services of experts, it is important they should obtain advice from those societies that have a large business, and are able to employ managers fully conversant with every detail.

Fortunately, co-operators, as a rule, never refuse to advise and help each other, so that the experience and knowledge gained by one society is nearly always willingly and readily placed at the disposal of another.

While this is so, it has been considered necessary to gather all the information available in a general way, that would enable young men to gain some knowledge of the duties and responsibilities of a manager, so that they might be available

when the opportunity came to lead and guide societies in the development of their business.

Over-anxiety to develop is baneful. It is better to attempt and fail than to stand still; yet is it advisable to wait until trade is sufficient to make the venture profitable before entering into new productive or distributive enterprises.

Obviously, there is a period in the history of a retail society when no benefit could accrue to it by entering into production; nay, the society may be injured and its progress retarded by doing so before the trade or prospect of business warranted such an innovation.

Utility of Productive Departments. The district in which the society is situated will, to a certain extent, determine the nature of the productive department that should be first entered upon.

BREAD BAKING.

In Scotland and Ireland very few people bake bread at home, and even in England a large and increasing number of the population are following the same example.

In a neighbourhood where the people do not bake their own bread, a bakery would be the first productive department to be introduced.

We may, therefore, consider when it would be advisable for a society to begin to bake its own bread.

When should a Society begin a Bakery? Again, it would be necessary to take into consideration the underlying conditions of trade in the district where the society is situated.

If the bakery trade is in the hands of large bakers, and they are willing to supply the society at the same price as they are charging to other tradesmen, it would not be profitable to begin baking until a society had, say, 400 to 500 members.

If, on the other hand, the district was supplied by small

bakers doing ten to twenty sacks per week, and unable to employ machinery in the production of bread, a society might begin to bake when it has 200 members. In districts—as, for example, the North of England—where bread is baked largely at home, a membership of 5,000 or 6,000 is essential to guarantee a successful bakery.

In towns where bakers' shops are plentiful, members often buy from the nearest source, instead of going to the co-operative store. The sale of bread, under such **Probable Sale of Bread per Member.** circumstances, will average four quartern (4lb.) loaves per member per week; whilst in a country district, where members are, as a rule, more loyal, the sale of bread will amount to five or six quartern loaves per member per week.

On an average, a 280-lb. sack of flour will yield 96 quartern (4lb.) loaves, so that it is only a simple question of proportion to ascertain how many sacks of flour a society **Average Yield of Bread per Sack.** with a certain number of members will bake. In a town where the average consumption is four loaves per member, it would require a sack of flour for every 24 members, and where consumption averages six loaves per member, the same quantity for every sixteen members.

In a small bakery, where machinery cannot be employed profitably, the cost of production will always be much greater than in a large bakery. In a small mixed **Cost of Production.** bakery, where bread and pastries are made, the work of a baker is reckoned at six sacks per week, and up to 24 sacks per week this average may be considered fair. That is to say, four men would be required to bake 24 sacks per week, whereas in a machine bakery, 12 to 15 sacks per man per week is considered an ordinary week's work. The wages per sack of flour is therefore twice as much in a small bakery as in a large one. Other expenses will not show so much difference, but the expense of production will invariably be greater in a small than in a large society.

In parts of England, where a large proportion of the bread is baked in tins, each baker will get through a greater number of sacks per week than stated above, but the ratio between the large and small bakeries will remain about the same.

In a large bakery, the cost for wages should run from 2s. 2d. to 2s. 6d. per sack; other expenses, including cost of distribution, should work out about the same rate, making the total cost 4s. 4d. to 5s. per sack.

From the foregoing information, a society may ascertain whether they would be justified in entering into the baking trade, and if so, the next consideration would be how the department should be organised and controlled.

Organisation and Control. In the first place, a competent foreman should be employed; his salary would be regulated by the rates current in the district for the same class of labour, and it should be noted that cheap labour is seldom efficient and profitable.

Everything should be kept scrupulously clean, and the foreman left to manage the bakery in the way he thinks most conducive to the interests of the business.

The number of hands required would depend on trade prospects, but it will be found that the previous estimate will work out all right in most cases.

In a small bakery, the control of the bakehouse should be vested in the foreman baker, who would also be responsible for the flour and material received, and for the loaves baked and despatched.

He should be asked to make, periodically, a practical test of the flour in stock, and report as to whether it is up to the usual standard in colour, strength, and flavour; he should also test a baking sample of all new brands of flour before they are purchased.

In a large factory it would be necessary to have a manager, and he should be responsible to the committee for the proper

management of the bakery. He should engage and dismiss all employés, purchase all the goods, organise the work in such a way that the bread would be produced as economically and expeditiously as possible, keep a day book showing all transactions in detail, balance weekly, and submit statement to committee.

A society, say, with from two to three hundred members would require a bakehouse and one oven, but it is extremely important to make provision for a second oven.

Requirements of a Small Bakehouse. The following would be suitable for a small bakery :—On the ground floor there should be a bakehouse $35' \times 24'$; two ovens, each $9' 6'' \times 11' 6''$; at the end of the bakehouse a storage room or cellar for yeast and butter, and a cooling and despatch room.

On the first floor above the bakehouse there should be a flour store, with a sack hoist from the street or yard below.

Detached from the bakehouse there should be a large fuel shed and a lavatory for the men, with good lavatory and W.C. accommodation.

The whole of the ground floor should be a few inches above the level of the adjoining ground, so that it would be perfectly dry. The floor should be formed of asphalt laid on 4" rough concrete and broken stones or bricks, the whole being covered with a 1" layer of granite concrete, composed of one part Portland cement to two parts granite chippings.

The cooling room would require to be large enough to contain one day's bread. The size of oven being $9' 6'' \times 11' 6'' = 109\frac{1}{2}$ square feet, which doubled gives $218\frac{1}{2}$ square feet, the superficial area of rack accommodation required; or, to put it in another way, 400 4lb. loaves may be easily baked per day in an oven of the dimensions given. Provision for cooling this quantity of bread must be made before despatching to the customers.

As a supply of hot water is indispensable a small boiler with circulating tank would be found suitable; but another

small boiler would be required to get a supply for the use of those bakers who make their own yeast (or barm, as it is called in Scotland).

**What kind of
Oven should
be put in?** Drawplate ovens are the best where there is room, otherwise some bakers recommend the use of small steam-pipe Peel ovens.

As the foreman baker will understand the necessary utensils with which to carry on the trade, it is needless to describe them here.

A bakery with two ovens would be sufficient to keep a society going until it was doing a trade of 50 sacks per week.

If a society is situated in a populous district, and the municipality supply gas or electricity at a cheap rate for power, a dough-kneading machine might be introduced, with tub and sack hoist, and also a dough brake, when it was baking 30 sacks per week. But, generally speaking, machinery

**When would it
be economical
to introduce
Machinery into
a Bakery?** should not be put in until 50 sacks per week is assured. Capital charges, with the cost of motive power, would add so much to the cost per sack that it would be more economical to use hand labour.

The buildings should be substantial, well lighted and ventilated, the bakehouse and machine rooms not less than 13' from floor to ceiling, built of fireproof materials, and finished internally with white glazed bricks. (For plan see Appendix I.)

**An Ideal
Machine
Bakery.** The building should comprise the following:—On the ground floor there should be a bakehouse 90' x 40', with eight ovens each 8' 6" x 14', and proper stoking space at back. A large cooling and despatch room should open directly into bakehouse, with portion divided off as cake room, and sufficient space for storing cake baskets, crates, &c. There should be a van shed opening out of despatch room, with docks for five vans and a cabin for vanmen.

A well-lighted office should overlook the bakehouse and

despatch room. A large cage hoist is required, opening out of bakehouse but adjoining the despatch room. At the other end of the bakehouse, but in a position capable of being supervised from the office, there should be a men's dining-room, with bath and lavatory accommodation, and isolated good W.C.'s, &c.

On the first floor, occupying the space above the bakehouse (the ovens must not be built over), there should be a machine room with abundance of working space.

A sponge room should adjoin the machine room, and ought to be well ventilated, and, if possible, on the north side of the building, so that it may be kept at a fairly constant temperature throughout the year. A decorating and test room is necessary, with storage space for essences, &c. The women's dining-room should be on this floor, and should also have lavatory accommodation.

On the second floor there should be a large flour store, with sack hoists from carts in street below and cage hoist from bakehouse. The flour loft should be the full size of the building below, so that in the event of the baker blending his own flour, ample accommodation can be made for maturing the flour or taking in a large supply when markets are advancing.

It is well, perhaps, to note here that within a burgh in Scotland sacks would not be permitted to be hoisted from the streets as suggested. One of two arrangements would then have to be made—(1) to provide a court or yard for the reception of goods, or (2) the provision of the hoist in a convenient place within the building itself. The office, as shown on the plan, would be a desirable position.

A cellar is necessary for the storage of butter, lard, syrup, &c., and should be under the cooling room and served by the cage-hoist, and a small stair from cooling room.

The floors should be served by a good easy staircase, of fireproof construction.

The cage hoist and the staircase should, for fire prevention reasons, be detached from the main building and capable of being cut off with fireproof doors or screens.

If the motive power be steam, the engine-house should be adjoining the bakehouse at one end, but must be entirely cut off from bakehouse.

Ovens. It is very important to have the very best kind of oven, but this is difficult to decide.

The ordinary Scotch oven, with lake-stone sole and cuist, brick-built beehive arch, fired from the oven mouth, is a very useful oven, economical in fuel, and **Scotch Ovens.** maintaining a uniform and regular heat.

In Scotland, however, customers object to outside loaves, and to get over this difficulty the Scotch oven has been doubled in size. This has been accomplished by inserting a strong cast-iron beam, encased in fire brick, between the two ovens ; the arch of each oven is supported by this beam, and the division wall between the two ovens removed. As a result, there are 22 fewer outside loaves in every two ovens.

In running bread into an oven with a peel, it is very difficult to avoid unshapely loaves. If the baker makes a mistake, and runs the bread too close, or does not run it close enough, it becomes unshapely, and consequently more difficult to sell.

The drawplate oven is recommended because the bread is much cleaner, there are no misshapen loaves, and all the stoking is done from the back, thus enabling **Drawplate Ovens.** the bakers to keep the bakehouse clear of all coal dust, &c. The plate is drawn out of the oven, loaded expeditiously and accurately, and then run into the oven again. The time occupied in loading an oven of the size mentioned with tin bread, two men doing the work, would be from two to three minutes. This oven bakes 198 2lb. pan-loaves in one baking. The type adopted should be the steam tube drawplate oven, the workmanship and material to be of the best.

Where possible, electricity should be used, because, although apparently dearer, it is found to work more cheaply in the end. There is no elaborated system of banding to contend with, separate motors being provided for different groups of machines, and it is cleaner and more regular than any other power.

Motive Power. All the rooms should be lit by electricity, general switches being placed immediately on entering the room, and a separate light to each machine, with the switch convenient to the hand of the man working that machine.

A small steam boiler should be placed in the stoke-hole, steam being required in the proving presses, temperature tanks, for heating water, &c.

The steam engine will in some cases be the more economical power, as there is a lot of hot water required in a bakery of this size and as steam is indispensable.

(a) *Cage Hoist.*

The Machinery Required. This should be capable of lifting 30cwt. from cellar to flour loft, and large enough to take a bogie full of trays or a dough trough.

(b) *Blending Apparatus.*

Hoppers are placed in the flour loft floor, delivering into blender suspended from the ceiling below. The hopper should be low enough to allow the man in charge to tilt the flour into the hopper from his sack barrow. The hopper should have four divisions for different kinds of flour. The flour would pass from hopper to blender and be elevated to sack filling apparatus, where it is weighed out and stored.

(c) *Sifting Machines.*

These are placed in the flour loft floor and deliver over dough mixers. The sifters should be kept separate from the blenders, so that flour blended by a miller, or by others outside of the bakery—the more usual method—may also be sifted before passing to dough mixers.

(d) Dough Mixers or Kneading Machines.

Two dough mixers, each of four sack capacity, are required. Each machine should be placed under a sifting machine. When the dough is made, it is tilted from the machine into the trough, thence to dough shoot. One man can feed from this trough two dough dividers on the floor below.

A tub lift would be required for each dough-mixing machine. The lift is generally fixed to the ceiling of machine room, and is so arranged that machine operator can lift the tub and tilt it without any assistance. By having this appliance, one man can operate both machines.

(e) Stirring Machine.

This should be fixed against the wall in the machine room and under a shoot from flour loft, and is used for setting the sponges, and for breaking them in, where quarter sponges are made.

(f) Cake Beater.

This machine is used for fancy goods and is indispensable for the cake trade.

(g) Dough Brake.

As many accidents occur with this machine through the men getting their fingers caught with rollers, a brake with patent reversible lever should be procured, so that, in the event of the operator being caught by the roller and pulled forward, his body, in its action, would reverse the rollers, and throw him out.

(h) Fruit Cleaner.

No modern bakery is complete without an up-to-date fruit cleaner, which should be placed in the cellar or yard.

(i) Dough Divider, &c.

By the use of this machine the dough may be accurately weighed. It should be placed in the bakehouse, with a

hander-up, automatic prover, and a moulding machine, and fed from the machine room immediately overhead.

Other machinery needed will include an egg whisk, a bun divider, a bun moulder, three cake provers (each 36-tin capacity), bakers' tables, tubs, bogies, dough troughs, a weighing machine, &c.

Water measuring and tempering tanks are necessary in the machine room—one tank to each kneading machine.

Tempering Tanks. The most accurate method is to heat the water by passing steam into it until it is raised to the required temperature, which is indicated by a thermometer outside of the tank.

By regulating the supply of steam and cold water, the temperature of the tank may be retained while the volume of water is increased.

Another method is adopted when steam is the motive power and a large hot water boiler is in use. The tank is so constructed that it can be filled rapidly, and the hot and cold water supplies so adjusted as to make it possible to obtain a required temperature with speed and accuracy.

The outflow pipe must be large enough to allow the baker to draw off the water with as much speed as he could lift it out in a bucket.

The tanks must have a glass gauge, indicating clearly the volume of water in the tank. A gallon of water should show half to three-quarters of an inch on the gauge.

Troughs having swivel wheels back and front, with two fixed wheels in the centre, would be necessary, and

Troughs and Trucks. made the same capacity as the dough mixer. When the bread is taken out of the oven, it is

placed directly on trays which will fit any of the delivery vans—the vans must all be of the same width—these trays are placed in trucks, each truck carrying sixteen trays. By this method the bread is handled only once from leaving the oven until actual delivery.

The trucks should be framed in angle irons, having angle

iron runners for holding bread trays similar to those in vans. They should run on castors or small wheels, one at each corner, or on swivel wheels similar to troughs, and be firmly framed together, as they are liable to be top heavy.

By having the flour in sacks of a fixed capacity, a great deal of machinery—conveyers and elevators—may be dispensed with, and the advantage gained that any quantity and any quality of flour can be tipped into the shoots over dough-mixing machines at any moment without reweighing.

It is necessary to have the covers of elevators, conveyers, sifting and blending apparatus so arranged that the operator can get to every part of the plant to thoroughly clean it out weekly. If this is not done, the flour weevils or common maggots may develop and cause trouble.

There should be a covered court or van shed adjoining the bread-cooling room. The extent of bakery and number of vans would determine size of such shed. The

Van Loading Shed. buildings should be so constructed that vanmen

would never require to go into bread room, but would be served by bread despatch men over a counter. Vanmen must not be allowed into cooling room.

In engaging a baker, one should not expect to find him a first-class book-keeper, although in some cases the combination

Bakery Book-keeping. will be found. It is necessary, however, for the foreman baker to keep a simple set of subsidiary books, so that invoices for goods received may be checked, and a record kept of all business transactions that may be needed for reference. The principal books would, of course, be kept in the general office.

An inward day book should be kept, in which to enter full details of all goods received—marks, brands, and name of consignor, by whom delivered, and whether the goods were received in perfect order. All invoices would be checked from this book. A despatch book would also be necessary, in which to enter all goods manufactured in the bakery and

despatched to shops. This book would be balanced daily, and any variations in the accounts closely investigated.

A weekly summary book should be included, showing stock of flour on hand at beginning of week, flour received during the week, flour on hand at end of week, and amount baked for week. (Someone would be in charge of stockroom to weigh exactly all the ingredients needed by the bakers.) The number of loaves, small bread, cakes and fancies produced should also be given, so that week by week the average yield per sack would be shown.

In some societies the cost of materials used weekly is ascertained ; the wages and current expenses entered ; the amount estimated for general expenses ; and a profit and loss account made out.

A test can be made at any time when in doubt as to profit earned. What is absolutely necessary is to check waste or leakage in materials, both before and after manufacture.

A bakery in connection with a co-operative society should be managed as a wholesale business. The goods should be sold in retail shops by a separate department, **Sale of Goods.** a discount being allowed by the bakery on sales at the same rate usually given by wholesale bakers.

A general manager should not be expected to know the practical details of the trade, as he would judge the foreman baker by results. It is necessary, however, for

Practical Work. a man who aspires to become a manager to have a general knowledge of the business he is called upon to supervise. He would therefore require to know how to test flour, and, in a general way, what chemical changes take place during the manufacture of flour into bread. It should not be enough for him to know that there is something wrong with the bread ; he should try to ascertain what is wrong.

In many cases the flour has been blamed for bad bread

when it was really the fault of the baker. The manager should therefore be in a position to tell from the appearance of the bread whether it is the material or the workmen that are to blame. Always remember, however, that bad bread may be made out of good material, but never good bread out of inferior material.

The various tests for the quality of flour are given in the chapter on "Tests for Purity," page 218.

Flour should be kept in a very dry place, and sacks should never be stacked on top of each other unless it cannot be avoided. Soft winter flours, especially, are **Storage and Blending of Flour.** injured if stored in that way.

Flour is improved by being blended a month before it requires to be used, but as this cannot be done by the average baker, he should either buy his flour blended, or blend it himself at least one day in advance.

If soft winter patents are blended with hard dry flour, it hastens the degradation of the hard, and increases the moisture of the loaf.

Good bread can only be guaranteed when the starch in the flour is to a large extent converted into gum and sugar. Yeast can only do this with difficulty with hard flour, if unassisted; and if this change does not take place in the flour, the bread will be harsh and lack flavour.

The quicker flour can be degraded, the less acid will develop in bread. The greatest care should therefore be taken in storing and blending flour.

The most important factor in the production of good bread is the quality of the yeast or barm. If a baker cannot make and keep good barm, he should purchase some of the best quality. No one need have any difficulty in procuring first-class yeast, as it is now manufactured by firms of undoubted ability, and on scientific principles.

The whole system of fermentation is undergoing a change

in the baking trade. Bakers are gradually discarding the old methods of working by rule of thumb, by adopting scientific methods in the production of bread, thus making it better and sweeter.

The system of setting sponges with Parisian barm from **Parisian Barm Sponges.** 12 to 18 hours before the dough is made will soon be a thing of the past. Under such circumstances it is most difficult to prevent the development of sour germs.*

Strait dough bread-making is the system that will in all probability become universal. By this system the best yeast is used ; the dough is made without setting a **A Strait Dough.** sponge or ferment ; and it is under observation from beginning to end. By shortening the process of fermentation the chances of the development of the putrefactive and acid-making germ are reduced.

It is interesting to watch the development of a strait dough. At first it will feel tough and leathery ; gradually it will get spongy and soft to the touch ; then it will become elastic and resisting. When it has reached this stage it gradually begins to feel soft and mellow, and the resistance of its fibre gets less. The dough is then ready to be made into bread. If it is allowed to pass that stage, it begins to collapse when grasped, and will very soon rot and decay.

Bread is always best when baked in a hot oven—the hotter the better, unless the bread is scorched or burned.

Heat of Oven. A loaf baked in a cold oven is simply stewed or boiled, and is very unpalatable.

All ovens should have a thermometer to indicate the heat at any given time. Under the old conditions, the baker used to open the oven door and thrust his hand into it to try the heat, or sometimes he would throw a small quantity of flour into it, and watch how long it took to brown. When satisfied,

* The process of fermentation of quarter and half sponges is given in Appendix 2.

he proceeded with his work. In many cases these tests, rough as they were, proved satisfactory. Long experience enabled the baker to tell within a few degrees the heat of the oven, but mistakes were often made.

The baking heat for bread varies from 450° to 500° Fahrenheit; 500° Fahrenheit is the correct temperature for pan or tin bread, which is generally made with soft dough, and 450° Fahrenheit will be enough for batch bread, which requires stiffer dough.

It is quite impossible here to deal with many points that require consideration in a bakery, but the essentials have been **Conclusion.** stated. It is expected that the manager who masters the details given in these paragraphs will not rest satisfied with the knowledge acquired, but will continue his studies until he has obtained a scientific as well as a practical knowledge of the trade.

No bakery will be successful unless the bread produced is uniformly good and sweet, and this can only be accomplished by men who have a thorough knowledge of the business, and conduct it on scientific lines, leaving nothing to chance.

CHAPTER XXVII.

The Art of Corn Milling.

IT is unnecessary to mention the process of milling before the introduction of the roller system. Flour mills then

Early Stages. simply consisted of a few pairs of millstones with a long reel for dressing the flour from the broken wheat, and perhaps with the addition of a smutter or scourer for cleaning the wheat. The system was therefore a very crude and simple one, but as the flour satisfied the public taste, the British miller (who loved his millstones) was the last person to think of adopting the modern system of rollers, which had obtained a fair hold on the Continent long before it was introduced into this country.

The history of the millstone is very old, for mention of it is made in the Bible, but it is only during the last thirty years that pains have been taken to have the wheat thoroughly cleansed, and ground in a scientific and cleanly manner. The change of course was very gradual. Instead of remodelling a mill completely on the new system, a miller would introduce one or two roller mills to grind the less pure feeds in the mill, but when he came to realise the extraordinary difference in the grinding, he completely renovated the mill and abandoned the millstone entirely, and as soon as a few of the larger millers had taken the lead, others were not slow to follow.

English millers date the final revolution in flour milling from the year 1881, partly because about this time the

influx from America and the Continent of far superior flour almost drove them out of the market, and partly because in that year a great exhibition was held in London of roller mills and the latest types of flour milling machinery. Naturally enough this was the forerunner of a complete change, at least in all the large mills in the country. Firms who had been accustomed to build and erect the millstone started to make roller mills and other machinery necessary for the equipment of a modern mill.

The centrifugal for dressing out the flour had already been in use some time. The earliest to be introduced was that of Nagel and Kaemp. This machine was a great improvement on the long dressing reel. It took up less space, and did not require as much attention to keep it in proper working order.

The design of the roller mill in this country was influenced to a great extent by the patterns which were being sent over from America at that time. The **American and British Methods Compared.** horizontal type, which has now given place to the diagonal, was almost an exact copy in

detail. Strange to say, the Americans still continue to use this machine, and, although they gave us the lead in roller mill construction, they seem to have made very little progress in the last twenty years as compared with us. This is due to a great extent to natural circumstances ; they have the very best wheats, which are easily reduced ; there is not the demand for the high-class finished flour that there is in England. Over here a large port mill has to treat wheats from almost every country in the world, consequently their condition requires separate treatment, and therefore a more elaborate system. In fact one may say a milling system depends upon the natural circumstances of that country. In England we are dependent upon other countries for our wheat supply, whilst in America they have plenty to supply their own requirements

--wheat which is practically all one grade, and requires very little preparation in the preliminary cleaning before being milled. After a time it was found that the American machines were not suitable for this country, and this gave an incentive to the milling engineer to study the requirements of the home trade so as to drive out the American engineers, who were sending large supplies over here.

Now, the first thing to be considered in producing good, pure flour, is to have clean wheat. The old smutter or scourer was a very excellent machine in its way, as it acted as separator and aspirator, scourer and stoner, but it was hardly sufficient to entirely eliminate the impurities which are present in wheat, especially certain foreign classes.

The Importance of having Clean Wheat. The principal foreign wheats that are generally in use in this country are :—North American, Canadian, Russian, Indian, Australian, Chilian, and Plate.

North American and Canadian wheats are the cleanest, and give the best yield, whilst Indian and Russian are the dirtiest, and contain the most impurities, such as seeds, cockle, oats, sticks, straws, strings, clay balls, dust, &c., these having to be entirely eliminated before the wheat is in a fit condition to be milled.

In the case of port mills the wheat is conveyed in barges or ships right up to the mill. Portable ship elevators discharge the wheat, which is conveyed to storage silos placed in a convenient position near the mill. From the silos the wheat is conveyed by means of band conveyers and elevators to the cleansing house. The warehouse separator, which treats the wheat before it reaches the cleansing house, consists of a series of reciprocating sieves placed one above the other, clothed with covers of a suitable mesh. The wheat passes over and through these sieves, eliminating sticks, straws, and other large refuse.

Before the wheat leaves the machine it undergoes a very

strong aspiration to remove dust, chaff, and weevilled grains.

The first machine in the cleansing house is the milling separator. Its construction is very similar to the ware-house separator, but it generally has five sieves instead of three for separating the wheat from foreign substances.

The Milling Separator. If there is much foreign being used, the wheat will contain various seeds and grains which have to be separated by special machines.

The scourer, which is similar to the old type of smutter, consists of a cylindrical drum, which revolves very slowly.

The Scourer. Inside the drum are a series of beaters revolving very quickly, from 400 to 700 revolutions per minute, according to the diameter of the drum. The machine is for the purpose of loosening any hard lumps of clay or dirt still adhering to the wheat, and also for removing the beard. Before, after, and during the scouring process the wheat is subjected to a very powerful aspiration.

The next process which the wheat undergoes is the separation of the cockle, oats, seeds, and barley. This is performed by separating cylinders; these cylinders are drilled in a special way with a number of holes as close together as possible.

The Separating Cylinders. The wheat passes through the cylinders, which revolve very slowly, and the cockle from the wheat are lifted up by these holes (which are drilled at an angle), and are deposited in a trough inside the cylinder. The same operation takes place in the oat and barley cylinders, with the exception that the wheat is lifted up, instead of the cockle, and the oats and barley are left behind. It is most important that all the cockle and oats should be entirely eliminated, as even a trace of the former is sufficient to spoil the colour of the flour.

The washing and conditioning of the wheat is an important section, and is one which our contemporaries abroad

Washing and Stoning Plant.

have not yet realised the full value of. It is impossible to clean certain classes of wheats, such as Indians, Russians, Plates, Danubian, &c., without a washing and stoning plant.

Stones are very harmful things. Not only are they apt to damage the rolls, but they can be traced ground up amongst the pure semolina, and no amount of purification will separate them.

The method employed for separating the stones from the wheat is as follows:—The wheat as it enters the machine is met by an upward current of water. The pressure of water is regulated by means of a valve, so as to float the wheat over an annular sill, whilst the stones drop to the bottom of the tank, and are drawn off when desired. The wheat falls into a washing tank next, where it is thoroughly washed, and is thence conveyed by means of a worm conveyer to the whizzer. This machine, by means of centrifugal force and induced air currents through the machine whizzes off all superfluous moisture.

Some machines combine two operations of stoning and washing, but this class is only used in large mills which use all classes of wheats, including those which contain a large percentage of stones, dirt, and other extraneous matter.

To obtain the best milling results it is necessary to have the wheat in a nice mellow condition. The percentage of moisture should be correctly determined, or

The Percentage of Moisture Considered. the wheat weighed in lbs., per bushel. Some millers prefer to have their's damper than

others, but generally speaking the weight of the wheat before being ground is 59 to 60 lbs. per bushel. Irregularities in the condition of the wheat cause irregularities in the mill, resulting in a variation in quantity of flour produced from a certain quantity of wheat, as well as having a detrimental effect upon both the colour and strength of the flour.

The conditioner consists of two or more vertical columns. The wheat passes down through these columns (consisting of perforated steel plates) in a slow and continuous stream. As the wheat passes down it is constantly being turned over and exposed to the action of the warm, and afterwards cold air. The conditioner is regulated partly by altering the pressure of steam to the hot air chest, and partly by altering the volume of air to the dryer. The best dryers have the air drawn through the wheat; thus the fan can be discharged into a dust collector and no dust or beeswing is blown about the mill.

The different classes of wheats are then allowed to lie together before being milled, for the purpose of blending and assimilation. Very hard and brittle wheats require more moisture than soft wheats, and if they are allowed to be together, one will absorb moisture from the other.

Most large mills have what is generally known as a finishing plant, for the purpose of scouring and brushing the wheat. The wheat brush is very similar in design to the scourer, but it is fitted with brushes instead of iron beaters. This latter machine gives the wheat a bright and polished appearance, and gives (so to speak) the finishing touches to the wheat. The grain is then finally aspirated and weighed and conveyed by means of band conveyers to the first break rolls in the flour mill.

In order to follow the milling system more clearly a brief description of the wheat berry is necessary. Strictly speaking it is composed of three distinct parts **Wheat Berry.** —the bran, the kernel, and the germ—and the proportion of each, taking an average, are to the whole as follows:—Bran $14\frac{1}{2}\%$, the kernel 84% , and the germ or embryo $1\frac{1}{2}\%$. The bran consists of three layers or coverings one above the other. Underneath the bran there is another skin which also consists of three layers; that is

what is generally known as offal. The farinaceous kernel consist of cells of endosperm.

The system of flour milling is divided into three parts. The break system, the purification system, and the reduction system.

Flour Milling Defined — The break system is further divided into four divisions. These four divisions consist of 1st, 2nd, 3rd, and 4th break roller mills.

The break roller mill consists of two pairs of fluted rolls, and each pair is placed diagonally in the frame of the machine.

The rolls for the 1st break are fluted very coarse, generally about ten cuts to the inch, the 2nd break rolls are fluted with sixteen cuts to the inch, 3rd break twenty cuts, and the 4th break twenty-six cuts to the inch.

The flutes are shaped very similar to the tooth of an ordinary saw, but a good many firms adopt a special flute of their own.

The 1st, 2nd, and 3rd break rolls are for releasing the semolina and middlings from the wheat. After it has passed through the 1st, the broken wheat is then sent to the 2nd break, and from the 2nd to the 3rd. The 4th break roll is simply used for cleaning the bran. The middlings which are released are of an inferior quality. Being next to the skin of the bran, they become slightly contaminated with the yellow juice which is contained in the skin, also a certain percentage of fine offal and bran powder become mixed with the stock.

Some mills have as many as four and five breaks, but it is now generally considered to be unnecessary to have so many, as the tendency is to give more surface for the break rolls and to come down very much heavier on the material; in fact, some mills are worked with as few as three different breaks.

The last break is generally divided into two different parts. The first part, as I have already mentioned, has

the rolls fluted with 26 cuts to the inch ; the second part, which is generally known as the second scratch roll, is fluted with 30 cuts to the inch. This roll is for scratching the coarse tailings from the semolina purifiers.

The first scratch roll, which is kept quite independent from the breaks, is for scratching the large germy semolina from the semolina purifiers. This stock is of much better quality than that from the second scratch roll, and, after having been separated on a sieve or reel, it is returned to one of the semolina purifiers to be further purified and reduced on the reduction system.

The handling of the break rolls requires the greatest skill. Mills using different classes of wheat require alterations in the adjustments of the rolls whenever another class of wheat is being milled. For instance, English wheats, which are very soft, make a large percentage of break flour and give a larger quantity of broad bran than those of the harder varieties. Wheats, such as Plates, have very dark skins. These wheats will make a large quantity of dark flour if too close a finish is obtained. Other wheats, such as North Americans, produce a large quantity of semolina and middlings. But whatever the class of wheat may be, it is always necessary to pay special attention in keeping the flutes of the rolls in proper condition. Rolls which are too sharp make a poor percentage of broad bran, whilst rolls which are too dull will make more break flour and very inferior middlings ; it is, however, more important to keep the rolls too sharp than too dull.

After the wheat has passed through the fluted rollers, the break middlings and semolina are separated from the broken wheat. Millers have always recognised the importance of a gentle process for this part of the system, but until recently no satisfactory substitute has been put on the market to take the place of the reel and centrifugal scalper. It was then acknowledged that to obtain satisfactory purification it was necessary to have the semolina absolutely clear and

free from dust, and to do this the chaff, after leaving the rolls, passed to a scalper, so called because of its severe action.

Speaking of the word "scalping." The word was originally derived from the barbarous practice of "scalping" once carried out by the Red Indians—giving the idea of severity—and the name has stuck to the process for separating the flour from the broken wheat, whether it be by sieves, reels, or centrifugals.

When the system of pneumatic separation was introduced, gentle treatment was the main idea. In fact, this system is almost exactly the reverse of the old system of scalping. The separation of the light material—consisting of finished bran, flour, and light middlings—from the heavy—consisting of the broken wheat, semolina, and heavy middlings—is performed solely by currents of air.

Further details under this head would be practically impossible without the help of diagrams and illustrations; we will, therefore, pass on to describe the chief characteristics of this process, viz., the cyclo-pneumatic process of separating the break stock.

The cyclo-pneumatic separator is a special type of machine for the separation of the heavy from the light material. One

The Cyclo-Pneumatic Separator. machine is placed underneath each of the break roller mills on the 1st, 2nd and 3rd breaks.

After the two separations have been made, each one is treated independently of the other on a series of reciprocating sieves clothed with covers of a suitable mesh—the material which does not go through the first sieve, consisting of broken wheat and coarse branry stock, is sent to the next pair of fluted rollers to be further reduced. The middlings and semolina are spouted direct to their respective purifiers, and the flour and light middlings go to a centrifugal dressing machine for dressing out the flour. The process is practically the same for the 1st, 2nd, and 3rd breaks.

Having thus dealt with the break system, the granular stock, as already mentioned, is graded according to size to be treated on the purification system.

The modern purifier consists of a reciprocating sieve, which is entirely enclosed. Above the sieve is placed a fan,

The Purification System. which draws a current of air up through the sieve, the only inlet for the air being through the silk cover. The material is distributed evenly over the entire width of the silk cover by means of a roller feed. The vibration of the sieve causes the material to oscillate, and, as the particles of finished offal are very much lighter than the granular material, they are carried up by the fan and are deposited in the cowl placed just above the sieve. The sharp contraction and expansion of the air deposits most of the offal in this cowl; should, however, any offal escape, it is deposited in the top chamber, which is kept clean by means of a travelling brush.

The coarse semolina for the first three breaks is the easiest to purify, whilst fine break dunst—by this is meant a class of material which is just too coarse to be called flour—is the most difficult. The reason for this will be readily understood, as the difference in size and weight of the latter is much less than the former.

The very coarsest semolina contains the germ. This is abstracted on the scratch roll system. The scratch roll is the same as a break roll in construction, with the exception that the rolls are fluted very much finer than any of those used in the earlier part of the system.

It would be impossible to describe all the different separations in this branch of the system. This description is not confined to any particular size of mill, but an elucidation of the general principles upon which a modern flour mill works. In a large mill, making, say, 30 sacks of flour per hour, the granular material is divided into several grades, which are treated on as many as 25 to 30 purifiers. In each purifier

there are four sieves, which, with the tailings and lower platform, make five samples from each purifier ; making a total of 150 samples of different grades in the purification system. Of course some of these are practically the same in appearance, but they each present a difference to purifier-men, and they know at once these differences, and that there is some fault either in the purifiers or the handling of the breaks.

The pure material which passes through the covers is sent to the reduction rolls. Purifiers treating fine dunst and middlings are generally followed by a second purifier, as on this class of stock it is very difficult to make a perfect separation.

The Reduction System. We now come to the 3rd or reduction system. This is generally divided into ten different parts in large mills, commonly known as A, B, C, D, E, F, G, H, J, and K rolls.

The Centrifugal Dressing Machine. First of all permit a brief description of the centrifugal dressing machine. This machine was brought over, as already mentioned, from the Continent. It has now almost entirely taken the place of the plansifter, both for grading and flour dressing. Not only is it more simple, but it is far more reliable, and there is far less wear and tear in the working parts. It consists of a slowly revolving drum covered with a suitable mesh of silk, a series of beaters revolving very quickly inside the cylinders. The numbers of silk generally used for flour dressing in a mill using foreign wheats are Nos. 10, 11, 12, 13, and 14. These numbers, however, have nothing to do with threads per inch ; the notation was given by the manufacturers. The silk used for this purpose is of the very best quality, and comes entirely from Switzerland. That country seems to be the only one which is able to produce the best.

The feed on to A rolls comes from the coarse semolina

purifiers ; the feed on to this roll is very much more granular than that of any other rolls.

Qualities from the Rolls. B rolls are fed from the fine semolina coarse middlings and scratch roll purifiers.

The dunst of A and B rolls, which is separated by means of a cut-off sheet on the centrifugal, is passed to C rolls.

The flour from C rolls is generally considered to be about the best in the mill, as it consists of the very centre of the berry.

The feed of D and E rolls consists of fine middlings and dunst from the fine middlings purifiers and C rolls.

F and H rolls treat the tailings and cut-offs of certain purifiers, and also tailings of certain centrifugals.

The last two or three rolls are used for finishing and cleaning the offals. The quality of flour from these last two or three rolls is the poorest ; a certain proportion of offal becomes mixed up with it, and it is impossible to absolutely separate this from the flour.

There are various special machines which have not been mentioned, but those described will be found in all mills, with the exception of the pneumatic system machines. This is a new process—the latest idea in milling. There are possibilities of this pneumatic system making great changes in a modern mill. It is without doubt the ideal method of separating the flour from broken wheat, and there is no doubt that before long it will be generally accepted as quite as indispensable to a flour mill as a centrifugal or purifier is. It has had to meet with a good deal of prejudice, but millers are beginning to see its advantages, and will not be long in making a change once they come to realise its superiority over the old methods of sieve scalping.

The arrangement of mills—as to how they are erected and planned—does not fall within the scope or purpose of this chapter ; the primary idea being to give the student some idea of the process of corn milling

CHAPTER XXVIII.

Sausage Making and Ham Curing.

SAUSAGE making may be considered an auxiliary of the butchering department when established. A society, say, with 500 members could conduct it profitably, but to do so successfully as a special department, manufacturing all classes of goods peculiar to a sausage factory, a very large membership is essential, and a skilled specialist as manager.

A federation of societies will succeed in working up a sausage factory when a moderate sized society will fail. It will be found that the sale in the grocery and provision branches of a society of factory-made sausages will not, to any appreciable extent, interfere with the sale of those made and sold in the butchering department, as the two kinds, as a rule, are quite different, and persons desiring butcher-made sausages will not care for the factory productions, and *vice versa*.

The workshop must be well lighted, and the floor damp-proof. The principal table should have a slate or marble top, To keep the meat sweet, provision should be made for hanging it in a refrigerator adjoining **Accommodation, Utensils, and Machinery.** the sausage factory.

A smoke and a boiling house should be provided. No boiling or washing should be done in the room in which the goods are prepared.

Steam-jacketed boilers are most suitable for a sausage factory. They are cleanest and easiest controlled. A large

boiling tank would also be required for large sausages, &c. Add to these a good silent mincer, an ordinary enterprise mincer, a sausage filler, and other sundries. But, in the main, a committee should be guided by the practical manager appointed as to the accessories needed.

The factory should be managed as a wholesale department, and all goods transferred to the branches at the price charged by other first-class sausage manufacturers.

It is unnecessary to enter into book-keeping details, as a competent staff of clerks must be employed to keep the necessary books and accounts.

It is sometimes thought that a sausage department may prove useful in working up waste meat from the butchering department. Those entertaining this opinion will be greatly disappointed by the experiment. It is policy to purchase meat specially to ensure success. Scraps from the butcher are of no use in a sausage factory, although in the factory itself all the waste or by-products must be utilised, and every part of animals made useful and serviceable. Prices are so keenly cut now that unless this is done it is impossible to make a profit.

BACON AND HAM CURING.

Ham-curing is a productive department which the average sized co-operative society cannot profitably engage in, and it is doubtful if even a large society could under-
Ham and Bacon Curing. take it with success. To carry out the process economically and successfully it requires to be conducted on a large scale with the most approved methods of treatment, and as considerable accommodation is required it is impossible to compete on a small scale with a fully equipped factory. So far as retail co-operative societies are concerned, it will at once be realised that in combination only can they hope to make a productive department of this kind profitable. The Wholesale Societies of England and Scotland

who import and cure at all their branches are therefore in a more favourable position to undertake a productive department of this sort than individual societies.

A large proportion of the supplies are from home sources—Wiltshire, Yorkshire, and Cumberland, in England ; Ayrshire, Supplies. in Scotland ; and from all parts of Ireland ; while large quantities are imported from America and Canada ; these latter, however, are partially cured either in pickle or dry salt and packed with borax or salt in boxes containing on an average forty hams each. From Ireland large quantities are exported to England and Scotland in their finished state, ready for the retail trade, but a fair amount is shipped as "Ex-Salts." These have been cured to a certain point, and the finishing is completed by the curers on this side, as described under the heading of "Curing." This also applies to American and Canadian, which require practically the same treatment as Irish ex-salt hams.

The methods of curing hams are practically the same, with slight variations, all over the United Kingdom. To cure from

Curing. the fresh pig there are two methods known as pickle cure and dry salt cure ; the former are mild cured and require immediate consumption, whereas the latter are more suitable for keeping a longer period. A cool cellar or warehouse with a constant temperature of about 42° , well ventilated, is required for the handling of the hams, and only those in perfect condition will take the cure properly ; all imperfect, blood-marked, or tainted hams must be rejected.

Pickle Cure. The selected hams are then put into the pickling tanks and allowed to remain about twenty-four hours, when they are taken out and placed on the floor, skin downwards, in rows with a layer of dry salt underneath, the first row being then covered with a layer of salt and the next row piled on the top, each row being treated in a similar manner ; about fourteen days being allowed for pickle-cured

hams. The ingredients most generally used for the making of pickle being 55lbs. common salt, 5lbs. saltpetre, 5lbs. sugar, and a small proportion of antiseptic is occasionally used. This is sufficient to make about twenty gallons. Of course the mixture varies according to the ideas and fancies of the curer.

In dry salt cure the pickle is omitted, but the treatment otherwise is much the same, only they are kept longer in salt, from three to four weeks being recognised as the **Dry Salt Cure.** proper time required. The temperature should never be above 38° while the hams are being kept in the salt.

The next process for all varieties of cure is to place the hams in the steeping tanks in tepid water; they are then washed out ready for the drying house. To give a plump and glossy appearance to the finished hams a bath is frequently used, the hams being dipped into boiling water for a few seconds. They are next hung up in the **Drying.** drying room, which should be heated to 85° Fahrenheit, four to six days being usually allowed in this process. Many, however, give a much shorter period, but this allows too much moisture to remain, which evaporates quickly when exposed to the air, and is otherwise injurious to the keeping properties of the hams.

Dressing, paring, and branding completes the process for pale hams, the rough fat round the cushion and end of the ham is removed and the shanks sawn off. If wanted smoked, these are hung up in a smoke house.

On the floor a bed of hard wood, sawdust, and wheat straw is kindled and allowed to smoulder; twelve to fourteen hours **Smoking Process.** being quite sufficient to give a beautiful brown colour. Heat is also required in addition to the smoke bed, which can be done either by steam pipes or radiators or the old-fashioned coke chaffers. The temperature should not exceed 90° Fahrenheit.

In the pickling of bacon various methods are employed,

but the results in each case are very similar. In England a large proportion is cured flat with skin on, and **Bacon.**

in the Wiltshire district a speciality is made of smoked bacon. In other parts of the country the method is to remove all bones and roll the sides, either with or without the skin. In Scotland rolled skinned bacon is most generally in use and must be mild cured. The meat for this purpose is placed in a mild pickle from three to four days, and after smoking and rolling it is fit for immediate use.

Many recipes are in use for boiling and cooking, but those mostly used in large factories are either to boil by steam in **Boiled Hams.** jacketed pans, ordinary furnace boilers, or by steam cooker.

The system of boiling is usually to have the pan three parts full of boiling water, then put the hams in and permit them to boil for one hour, when the fires are drawn or steam turned off and the water cooled to about 180° Fahrenheit. The hams are allowed to remain for twelve to fourteen hours, the brickwork and pans retaining sufficient heat to finish the cooking of the contents. These are then removed and hung up to firm for, say, twenty-four hours, when they are ready for use. A preparation of bread crumbs is frequently used for dusting the hams; this dries up the outside grease, gives them a nice appearance on the counter, and makes them easier to handle in slicing.

The steam ham cooker is simply an iron box fitted with a steam inlet and exhaust. The hams are placed on a travelling rack and wheeled into the chamber, the door then bolted tightly, and the steam is turned on, the length of time required in cooking being four to five hours at a temperature of 180° to 200° Fahrenheit.

In a ham-curing establishment it will be readily understood there is a considerable amount of by-products. There **By-products.** are skins, bones, parings, and fat, which must be disposed of to the best advantage. In an

up-to-date ham-curing factory, facilities for disposal in the shape of bone digesters and steam pans for the rendering of fat and other waste materials; it is only by methods of this kind that the best results can be obtained.

The output determines the size of factory and requirements. It is therefore impossible to give dimensions of the **Factory Accommodation:** various apartments. A description, however, of what is required in a modern factory might be useful.

- (1) A storage warehouse, well ventilated and kept cool, where the arrivals are received and dealt with.
- (2) Cool chambers for pickling and dry salt curing, which also means refrigerating plant.
- (3) Washing department, fitted with the tanks, hot and cold water led into each. Plotting tank.
- (4) Drying room. This must be a large airy room, well ventilated and fitted with steam pipes for radiating the heat.
- (5) Dressing room. This room must also be airy with good ventilation, fitted with tables for dressing and handling the finished article. In this department expert curers must be engaged as all hams are there finished and inspected, each is pierced with a tryer, and it is only by experience that the curer can detect slight taints which lead to trouble after they are smoked, and sent out to customers.

CHAPTER XXIX.

Adjuncts of the Drapery Department.

FOLLOWING in the train of the drapery business comes dress-making. It is a home industry, carried on frequently in a private house by its members working excessive hours for a mere pittance, and, in consequence, charging less for the finished garment than the cost of production in a workshop where the best conditions of labour prevail.

No department gives the committee of a society more trouble than dressmaking.

When the sale of dress goods in the drapery has assumed fair proportions, it will soon be found necessary to employ a dressmaker on the premises; otherwise many members will purchase their dress materials elsewhere.

A workroom should first be secured, with good light and as near the dress department as possible. The cutting, fitting and waiting rooms should be contiguous to the workroom, all of which would be subject to the control of the head dressmaker.

Experience proves that a first-rate head dressmaker, well paid, with scientific knowledge of cutting, is the most economical in the end. She will bespeak the confidence of the members, and materially help to build up a trade.

The productive and distributive departments should be quite distinct. All materials from the latter to the former should be charged at selling price, and, as much depends upon a proper system of book-keeping being instituted, it

may help those beginning the department to state briefly the various books necessary for efficient management, which experience has proved to be both useful and serviceable.

When an order is given at the dress counter, it should be entered into the departmental transfer book against the dressmaking department. It is not necessary to have a specially ruled book for this purpose.

Books and Forms. The particulars required are:—Name, address, share ledger number of member, or person ordering through a member, and the details of material purchased or selected. Orders should be numbered consecutively.

The customer should then be taken to fitting room, and the dress department number entered in dressmaker's measure book. This book should be in duplicate form, and numbered, the customer taking one portion, whilst the other section remains for reference. (See Appendix No. 3.)

A workslip should be attached to the dress material when cut off and sent to dressmaker's cutting-room..

When the dress has been cut, it should be sent to the workroom along with the workslip, the bodice and skirt workslips going to the respective workers. The person in charge of both classes of work should see that the entries are faithfully made. (See Appendix No. 4.)

No goods should be supplied by drapery department unless the workslip is produced. If this is done, the accounts will be easily dissected.

If the person in charge of workroom is careful to note time of workers on each dress, there should be no difficulty in telling which set of workers is making a profit or loss.

A statement or summary book should be kept, and ought to be balanced weekly. (See Appendix No. 5.)

If this book is carefully kept, it should be of great assistance to a society. As will be seen from a glance, the difference between the total cost and amount charged will give the profit or loss on each week's trading.

A book should be kept for alterations on which no charge can be made. The name and address of customer, and number of original order should be entered for identification.

When a loss is made in dressmaking department, it is easy to tell by referring to this book whether it has been caused by misfits, want of employment, or mismanagement.

In the cutting-room there should be a large table, so placed that the dressmaker would have ample light, without straining the eyes, to enable her to detect the slightest difference in the shade of the material to be cut.

Fittings and Furnishings. Fixtures, drawers, and wardrobe are useful accessories for storing materials before and after manipulation.

In a very small business, it may be necessary to utilise the cutting-room as a fitting-room also. In that case, two full-sized mirrors should be fixed in such a position that a lady on being fitted can see her full length in mirror, back and front. It is advisable, however, when practicable to have separate fitting and waiting rooms.

It will be the duty of the manager of department to see that the Factory and Workshop Acts are complied with, and the necessary forms kept for inspection.

The workrooms must be well lighted and ventilated. The law dictates at least 250 cubic feet of space for each employé during ordinary hours, which is extended to 400 cubic feet for overtime.

MILLINERY DEPARTMENT.

A society would probably begin millinery as a productive department at the same time as dressmaking. In fact many **Millinery Department.** societies begin millinery first, because, as a rule, milliners are trained in the workshop before they get to the sales counter. It is advisable at first to engage a milliner saleswoman, who can take and execute her

own orders. By and bye, as trade increases, extra hands will be engaged to trim and assist in showroom.

The books and forms used in this department are :—

- (1) Day or order book, giving all details of order—straws, trimmings, &c.
- (2) A workslip for workshop, containing full details and description of material used, cost and selling price of material, time occupied by workers, wages paid, and amount charged for wages. Enter also in day book.
- (3) The statement or summary book, used in dressmaking department (see Appendix No. 3), would be quite suitable for this department.

With ordinary care, and by balancing the abstract weekly, this department should not give a manager much trouble, on the contrary, it should be of great assistance to the retail department.

HOSIERY FACTORY.

Where knitted hose is mostly worn, as in the North of England, many drapery departments have added to their sales **Hosiery Making and Re-footing.** by the introduction of knitting machines. Starting cautiously, a department with moderate pretensions may easily make it successful. In comparison with its size, it is one of the cheapest and most profitable among productive departments.

In commencing, prudence must be exercised ; care taken in the selection of plant ; and a person acquainted with the technicalities of the trade engaged to make or superintend.

It is expedient to cluster all productive auxiliaries around the departments to which they are allied. An ordinary well-lighted and ventilated room would be serviceable. Machines, hand or power as suitable, winder, presser, pressing boards and scales are needed. It is useless to dictate either how many or what size of knitting machines will be required—local demand will determine.

Cylinders for machines vary in size according to quality and size of hose required. The following table explains itself :—

Cylinder.	Quality of Hose.	Size.	Wool Used.
68	Coarse.	1, 2, 3.	3 and 4-ply.
76	Medium.	4, 5, 6.	3-ply.
84	Fine Cashmere.	1 to 5.	3-ply.
84	Common.	Slr. and W.	3 and 4-ply.
96	Medium.	....	3-ply.
108	Fine Medium.	....	2 and 3-ply.
120	Cashmere.	....	2-ply Andalusian.

These in some cases will be found to be interchangeable. Nos. 76 and 84 are the most useful.

The workers, excepting the person in charge, are paid by piece. A fair price—1s. 6d. to 1s. 9d. for children's, and 2s. to 3s. per dozen for men's and women's hose
Wages. according to grade.

The quantity producible by a girl depends upon skill in working. One dozen per day would be a respectable average.

Output. Of course the question of division of labour enters here somewhat, toeing and pressing being kept distinct from machine work.

One of the most important duties in this department is accurate costing of the finished article. For this the scales must be in frequent use, not only in **Costing.** pricing new lines, but in checking, to see that no more than the original quantity decided upon, is being used. The method of costing is merely a simple sum in arithmetic. Quantity of wool, cost of labour, estimated capital charges, plus a small margin for departmental profit. The latter is

a variable quantity. The lower prices of hose being transferred practically at cost.

This is an attractive feature ; easily worked. Wools must not be selected from drapery department to be used for re-footing. Machine wools are entirely different.

Re-foots. The best mode is to have definite charges for work complete according to quality, which in most shops vary from $7\frac{1}{2}$ d. to $9\frac{1}{2}$ d. per pair.

All invoices for wools, &c., should be accepted by drapery department, and transferred at cost. New goods sent from the factory to the retail shops would be charged

Book-keeping. at manufacturers' prices ; but re-footings should be transferred at retail prices, minus, say, 15 per cent, or such amount as may be reasonable to both departments.

The young lady in charge will find sufficient work to do in giving out materials, supervising, maintaining discipline, and generally safeguarding the interests of the factory. Under the guidance of the manager she would be able to keep all the books necessary.

CHAPTER XXX.

Tailoring Department.

MANY societies err in beginning a tailoring department before they have sufficient trade to make it pay ; in this case, it will involve loss and much concern.

When to Start. There is no reason why there should be any premature venture in this department, as the facilities the Productive and Wholesale societies offer in making bespoke garments should enable a progressive retail society to compete successfully with its neighbours until large enough to employ tailors.

Pattern books are supplied for inspection, and suits are made to measure by those societies at a cheaper rate than any small society could make them. No doubt the fit may not be so perfect, as it is impossible to refit all garments before finishing, but the style, fit, and finish should be equal to anything that can be got in a small business.

This method will prove more profitable, and cause less worry during the interim, than dabbling in the trade.

A society should not begin bespoke tailoring on its own account until it has not less than from 800 to 1,000 members. Until that limit is reached, it should get all suits made as directed. Customers who could pay a better price, and required a refit, might be suited by employing a local tailor. In most towns and villages there are tailors who work for the trade, but who do not sell materials. A society could secure these men to make for them at a net price per garment, or allow a discount off regular retail prices.

No doubt this will not be so satisfactory as employing workmen on the premises where trade is large enough to do so efficiently and economically, but it is infinitely better than attempting to do what would be otherwise unsuccessful.

When the opportune time has arrived to commence a tailoring department, how should it be managed?

Management. In the first place, engage a man with commercial experience, and ability to cut and fit. As trade develops, it may not be necessary for him to have this combination of qualities, as the buying and selling should not be in his hands. He will be better employed cutting, fitting, and examining the work before the garments are sent out.

The cutter who manages the productive department will, of course, engage his own assistants, subject to the approval of outfitting manager or other official responsible to directors.

The material should be kept in the woollen department, and transferred at retail value to the productive department, from the day book.

On the selection of material, the salesman should enter the details of order in the day book, and take the customer to the cutter, who should measure and enter all details as to style of garment, extras (such as pockets, quality of trimmings), shop number, price of tweed or other cloth selected, date when wanted, and any other special orders given.

The cutter should send a workslip to workroom, attached to the material. This slip should give number of order, details as to style of garment, date of fit-on, and date to be finished. As tailors are usually pieceworkers, the rate to be paid should be entered on the workslip. This slip should be sewn to the garment whenever it is far enough advanced to do so, and the portion on which the rate of payment to worker is entered should be kept by him to check his wages at end of week. (See Appendix No. 6.)

A summary book should be kept ; the dressmaker's summary book would be quite suitable ; in fact for all productive departments the books required would be similar, but modified to suit the circumstances of each case. (See Appendix No. 5.)

A good light falling on cutting table is essential, as the cutter must examine all materials previous to cutting, to ascertain that no portion of it is faded or defective in any way. Much annoyance and loss will be saved by the adoption of these precautionary measures.

Cutting-room and Fitting-room. A fitting-room is also needed. Where the trade is small, one room might do for both purposes--cutting and fitting. It is advisable, however, to have not only two separate rooms, but a waiting-room adjoining, when circumstances will allow.

A very satisfactory arrangement for cutting, fitting, and waiting rooms is to have the cutting table close to the windows, extending the full length of the room. The cutting board would, of course, be 4' wide, leaving 4' space. Erect a fitting-box, 6' x 6', and 6' high at each end, so that the light from window can pass over it. Between the two fitting-boxes put a counter, which can be used in attending to customers, or as a table for trimmer. By opening out folding mirror hinged to side of box, the cutting-room can be isolated from fitting-box. The space outside counter can be used as a waiting-room. The convenience of this arrangement will readily be seen. (See Appendix No. 7.)

Workshop. The workshop should be well lighted and airy. It is in the interests of both employer and employed that it should be so. Under good conditions, the work is better done, and the men are brighter and happier.

As tailors sit at work, they should not be allowed to sit on the floor. The air passing under the door is likely to be injurious to health. It is better to raise the board at least 1' or 18" above the floor, for obvious reasons.

Where possible, there should be a stove-room adjoining the workshop, so that the latter might be kept cool and healthy.

The machinists should be in such a position that the tailors can easily get to them with their jobs, but they should not be in the same room. A small sliding door is the usual arrangement for the work to be passed through.

Get the best sewing machines on the market; they are the cheapest in the end.

Sewing Machines. In premises where electric current is available, drive the machines with an electric motor.

The work will be quicker done than by foot, and less oppressive to the operator. An individual motor for each machine will be found the most economical. A small eighth-horse power motor on each machine will save its price in current in a couple of years. The system of coupling up a number of machines with shafting and belting, driven by a large motor, is obsolete, except in large factories where the machines are kept running continually.

We have so far considered the bespoke tailoring. We may now inquire whether a retail society should establish a ready-made clothing factory.

It would be unwise for most retail societies to do so. To conduct a clothing factory satisfactorily, sub-division of labour is a *sine qua non.* and machines must be kept running to reduce the cost of production to a minimum.

Work of this nature can be best accomplished by the Wholesale and co-partnership societies.

Some of the societies, however, have adopted the divisional labour system in connection with their bespoke tailoring trade, and have found it to be beneficial, especially to the poorer members. The difference in the cost of production, of course, being saved to the customer.

Under this system the various branches of garment making are allotted to different individuals, who become

The Divisional Labour System. adepts at their separate duties. The kind of trade to which it is best adapted is the middle class, because it strikes a medium between the high-class aristocratic trade and the cheap factory-made garments.

A model sub-division workshop would consist of from eight to twelve hands. As the latter is mostly advocated to start with, being capable of turning out from 25 to 30 suits per week, the division would be as follows :—

(1) Baister, male, in charge.....	1
(2) Fitter, male.....	1
(3) Machinists, males	2
(4) Finishers (females), button-holers, fellers, &c.	6
(5) Presser, male.....	1
(6) Oddments, female apprentice.....	1

CHAPTER XXXI.

Boot Repairs.

So far as distributive societies are concerned, boot and shoe making is not one of the industries which they find they can conduct successfully. To cope with this,

Boot and Shoe Making. special factory accommodation, expert management, and expensive machinery would be required, which would be almost entirely beyond the power of any ordinary society that sought to produce these articles for its members only. Each class of work has become in these days a special industry, and it does appear that no one factory is capable of supplying every kind that is demanded over the counter, and to meet this district workshops are common which make a speciality of certain kinds of work.

We may, therefore, consider how best to conduct a boot repairing trade.

Boot Repairs. A society will, in all probability, employ a shoemaker for jobbing when it begins to sell boots, and will add to its number of workmen as trade grows. It may be necessary to employ a few men for bespoke work and hand-sewn repairs, but the majority of the men employed will be engaged as benchers and finishers on the divisional labour principle.

A competent and practical foreman should be employed, and all employés should be engaged by him, **Management.** and be under his control, subject, of course, to the approval of the manager or directors.

The workshop should be connected with retail department, all work and orders passed through and charged up by this

department. The productive accounts should be kept separately.

In a small business, where the shoemaker assists at the counter, and does a lot of sprigging and odd jobs, part of his wages should be charged to the retail department and credit given him for the work done at the rates paid to the other workmen.

In dealing with repairs, it is necessary to be able to trace each parcel from its leaving the customer until **Book-keeping.** it is delivered, finished. The undernoted system has been found very satisfactory, and may be adopted without fear.

On a customer handing in boots for repairs, the person taking them over attaches a workslip, with name, address, and share ledger number of member, description of boots, repairs wanted, and date received. The slip is divided into three parts by perforations. One part serves as a receipt to the customer for boots handed in ; the second portion is filled up and retained by the shoemaker after the repairs are completed, and the third is sent back to the customer with the boots. The customer should give up receipt when repairs are delivered. By this system, mistakes are reduced to a minimum, and a lot of needless unpleasantness avoided. (See Appendix No. 8.)

Repairs taken in at the retail shop should be entered in day book as received, and numbered consecutively. A corresponding number must be put on workslip. When repairs are taken in at grocery as well as boot branches, it is necessary to modify the system to suit the circumstances.

The simplest plan is to get a day book made on the triplicate system, having two leaves perforated, and one fixed leaf. One is given to customer, another sent to workshop, and the last retained by branch. Messenger taking repairs must sign for them.

The repairs are then entered in the workshop day book, numbered, and got ready for workmen.

The wages books are posted from workslips, and in addition a summary book is kept where the name and address of each customer is entered, the description of repairs done, if bespoke, the class stated ; the number of the workmen executing the work, amount allowed, cost of material, and amount charged customer ; with profit or loss shown. See that all the repairs passing through the workshop are paid for. (See Appendix No. 9.)

A duplicate carbon transfer book should be kept in the department, in which each transaction should be entered before despatching to branch, copy being sent with goods.

A stock book should be kept, and all leather or furnishings entered therein ; in the case of sole leather, each lot should be registered, and a number of sides taken from each, cut up, and valued. Soles, heels, toe, heel, and side pieces should each be estimated, so that the real value of the leather would be ascertained.

It will be found, by testing in this way, that the cheapest leather per lb. in the bale is not always cheapest when cut up, as the best cuts up with little waste, while other leathers have a large percentage of offal. (See illustration of bend for mode of cutting in Appendix 10.) The quality of leather cannot be described here, each manager must be left to his own judgment in choosing that most suitable for the trade.

In costing for each job, the manager should add 20 per cent to cover waste and profit. If this is not done, it may be found at stocktaking that the value of goods in stock is less than the book value—a very unsatisfactory state of affairs, and one that may lead a manager into difficulties.

At what rate should the goods be transferred from workshop to saleshop ? Should it be wholesale or retail ?

As very few firms execute repairs at wholesale rates, we may assume that the most satisfactory mode would be to charge at the retail rate and allow a discount of 10 to 12½ per cent on the value of work done.

If a shoemaking department is managed on the foregoing lines it should prove successful, always assuming that the books are carefully kept.

In the initial stages it has been customary to engage any odd room for a workshop, but as the old style of stool work

The Workshop. is fast becoming unpopular, some accommodation and method are needed to carry out the work on modern lines. Where there is no machinery, benchmen and hand finishers are employed on similar lines to those in a large factory, excepting that the statement of wages is somewhat different, so that a description of an up-to-date workshop will nearly serve both purposes.

The plan of the workshop will largely depend upon the size and shape of the plot of land at disposal. There should be, however,

- (1) A receiving and despatching room.
- (2) A stock room.
- (3) Machine room.
- (4) Bench room.

The rooms should be set apart in such order as to allow the work to pass automatically and consecutively through the various processes. The stock room close to the bench room, from which the work would be handed to the men, and the machine room either at right angles or parallel with the bench room, ready for finishing processes.

The receiving and despatching room would be fixtured in divisions for each class, and the bench room accommodated with the usual fittings.

Some of the machinery may or may not be placed in the stock room. As a rule, all the machinery is kept together in one room.

In the machine room nine distinct power machines will be needed, and individual electric motors are advocated on economical grounds. The motors recommended are indicated herewith :—

- (a) Rolling machine, which presses the leather instead of hand-beating, 2 h.p.
- (b) Revolution press cutter, for press cutting, with sole and top piece knives of various sizes, 2 h.p.
- (c) Edge trimmer ;
- (d) Heel scourer } 2 h.p.
- (e) Edge cutter }
- (f) Bottom scourer } 2 h.p.
- (g) Brushes and pads, $\frac{1}{2}$ h.p.
- (h) Blake sole stitcher, stitches right through to insole, whereas the }
- (i) Rotary lock-stitch machine stitches sole to the welt. } 1 h.p.

Besides these there will be one or two patching machines.

A very important feature in connection with machines (c), (d), (e), (f), and (g) is to have blast dust carriers attached to them, to keep the room orderly and healthy.

The machinery mentioned would be capable of doing from 600 to 800 pairs per week; for a smaller workshop, say from 200 pairs upwards, a combined finishing machine, a roller and a cutter, either to be driven by treadle or power, would meet every requirement.

Districts are not uniform in their statement of wages but to give some idea of the way in which such a statement should be drawn up, a list is given in Appendix Wages. 11, which is in operation in a northern society. This refers to benchmen only; finishers are paid by time.

Although the rate of payment to benchers is less than what is paid for knee work, a man becomes so adept that he can do more work and make better wages by the new system.

CHAPTER XXXII.

Upholstering.

Upholstering is an important auxiliary to the furnishing department, convenient in many ways, and profitable when efficiently managed. It would be inexpedient **Upholstering.** to commence before a firm footing has been established in the furnishing trade—£100 per week may be considered a good basis.

As in most productive departments, the success of upholstering mainly depends upon the skill of the foreman appointed.

Accommodation should be found for workshop as near the retail department as practicable. The size would depend **Workshop and Storage.** upon trade, or trade prospects. Fresh air and plenty of natural light are important.

To ensure cleanliness, as re-upholstering will predominate, a stockroom adjoining the works is indispensable, in which flocks, fibre, down, hair, springs, webbing, and chair frames may be stocked in quantities. Any artificial light in this room will require careful watching on account of the combustible nature of some of the stock. Gas guards should be fixed where electricity is not available. Before starting give notice to insurance offices affected.

The appliances for this department scarcely need enumera-
Tools. rating — sewing machine, needles, hammers, knives are the chief—as a few pounds only will be required.

Besides repairs, all new furniture will be upholstered whether in leather, tapestry, or velvet. Suites of frames, or

Ramifications of Work. odd pieces, would be received in the white. No attempt should be made to fully employ a polisher, a contract could be made with local workmen at a price per piece.

Bedhangings, cushions, pillows, and bedding would be made here. Floor cloths and carpets laid. Estimates given for decorations.

To an enterprising manager there is great scope for initiative. Venetian blind-making and picture framing are often included. For these a morticing and a mitre-shooting machine would be necessary. Carpet beating and relaying may also be added. In fact, it is impossible to compute the advantages to the retail derivable from such a department. There is so much bad work, and equally as worthless materials used, that to be able to recommend upholstered furniture, bedding, &c., as home productions often decides the question with a customer.

Stock goods should be transferred at cost, or maker's prices, but repairs on which an estimate has been given by **Transfers.** upholsterer, at retail value, subject to 20 per cent discount, or an amount agreed upon by both parties.

A weekly statement of all work done by this department would be handed to the manager of furnishing, who would keep a debit and credit account as in all allied productive departments, which may or may not be used for balance sheet purposes as determined by finance committee.

Foremen would be paid weekly wage ; but workmen by **Wages.** the hour as per trade union rate in the district. Apprentices on scale. Machinists (female) from 12s. to 16s.

It will be noticed that a number of productive departments, such as farming, brush making, aerated water **Concluding Remarks.** making, watch making, and paper bag making have not been dealt with.

These departments cannot be of service excepting to a very large retail society, or a federated society, and as the object of this section is to impart information to those wishing to qualify for the position of manager in retail societies, it would serve no good purpose to undertake these subjects at present.

Those who wish information on these questions may consult authorities on them, but meantime, in referring to the productive departments usually conducted by co-operative societies of moderate dimensions, the information supplied cannot be otherwise than useful.

STUDENTS' NOTES.

SECTION 7.

LEGAL MATTERS.

**Some of the most important Acts of
Parliament which affect Co-operators.**

CHAPTER XXXIII.

LEGAL MATTERS.

Some of the most important Acts of Parliament which affect Co-operators.

Of course, no one has a right to expect that the managers and other officers of co-operative societies should be astute and learned lawyers. Perhaps it is better for their own peace of mind that they should not be. Yet it is of great importance that they should possess a clear and concise knowledge of the main provisions of such Acts of Parliament as generally affect the administration of industrial and provident societies. It is with this object in view that the following pages have been written. The Acts mentioned below have been selected as bearing more particularly upon this point, although it is almost superfluous to add that they do not contain the whole of the statute law which controls trading communities in Great Britain and Ireland. It will often be necessary to have recourse to many other Acts which are omitted from this brief summary, but it is hoped that a mastery of those which are here referred to will be of great value.

The first to be mentioned is, of course, that great charter of co-operation—

The Industrial and Provident Societies Act, 1893 (56 and 57 Vict., ch. 39.)

To the student and the historian of co-operative progress an intimate knowledge of the earlier Acts dealing with

industrial and provident societies will be invaluable, but perhaps, in this place, it is only necessary to say that the first of these was the Industrial and Provident Societies Act, 1852, which was amended by the Acts of 1854 and 1856; the Industrial and Provident Societies Act, 1862, which was amended by the Acts of 1867 and 1871; and the Industrial and Provident Societies Act, 1876, which consolidated and amended the then existing Acts.

The Industrial and Provident Societies Act of 1893 repealed the Act of 1876, but virtually re-enacted it with some important amendments and additions, and provided that every existing society should be deemed to be registered under it, and its rules continue in force in so far as they are not contrary to the express provisions contained in the Act. All co-operative societies, therefore (whether registered before or after the passing of the Act), in Great Britain, Ireland, and the Channel Islands, come under its operation.

Although it is desirable that the whole of this most important Act should be read carefully, there are special sections of it to which particular attention should be given, as an intimate knowledge of these is essential to all who desire to control wisely the working of co-operative societies. For the purpose of convenience and facility of reference the head-notes of these particular sections are set forth in the margin.

The first matter dealt with in the Act is, of course, the registration of societies and the cancelling and suspension of

**Registration
of Societies
and the
Cancelling and
Suspension
of Registry
(Sections 4-9).** registry (sections 4-9). It is important to note that a society which may be registered is one for carrying on any industries, businesses, or trades specified in or authorised by its rules, including dealings of any description with land.

The rule dealing with the objects ought therefore to be made as comprehensive as possible if it is the intention of the society to become general traders, as under

the Act it has no power for this purpose outside the rules. The business of banking can, however, only be carried on subject to certain limitations which are set forth in section 19.

No member, other than a registered society, shall have any interest in the shares of the society exceeding two hundred pounds.

The conditions of registration are fully contained in section 5, sub-sections 1-6, and should be referred to in detail by those who desire to form a registered society. They may be briefly summarised as follows :—

- (a) There must be seven members at least.
- (b) An application signed by seven members and the secretary, and two printed copies of the rules, must be sent to the Registrar of Friendly Societies.
- (c) The name selected must not be identical with or nearly resembling that under which any existing society is registered, and cannot be changed except as provided in section 52.
- (d) The word " limited " shall be the last word in the name of every registered society. (*Note.*—The name of the society should never be used in written or printed documents without this word appearing.)

A society carrying on business in more than one part of the United Kingdom shall be registered in the part in which its registered office is situate.

If the Registrar is satisfied that a society has complied with the provisions as to registry, he shall issue an acknowledgment of registry. This will be regarded as conclusive proof of registration unless the registry has been suspended or cancelled. Copy of the acknowledgment should be printed at the end of the rules.

If the Registrar refuses to register, an appeal lies as provided by section 7.

Under certain conditions the Registrar may cancel or suspend the registry of a society if it is proved—

- (a) That the number of members has been reduced below seven, or
- (b) That the acknowledgment has been obtained by fraud or mistake, or
- (c) That the society has ceased to exist.

The Registrar may also, with the approval of the Treasury, cancel the registry of a society, if he is satisfied that the society exists for an illegal purpose or that it has wilfully and after notice from him violated any of the provisions of the Act.

The rules of a society shall contain provisions respecting the matters mentioned in the second schedule to the Act.

Rules It is therefore of the first importance when (Sections 10 to 22). preparing the rules to bear in mind the requirements of this schedule.

Amendments of rules must also be registered, and for this purpose it is necessary that two copies, signed by three members and the secretary, should be sent to the Registrar. If satisfied that the amendments are not contrary to the provisions of the Act, the Registrar will issue to the society an acknowledgment of registry, which shall be conclusive evidence that the same are duly registered.

A copy of the rules must be delivered to any person on demand upon payment of a sum not exceeding one shilling.

The profits of a society shall be appropriated to any purposes stated in the rules or shall be determined in such manner as the rules direct. The tenth paragraph of schedule II. renders it imperative on societies to provide for the mode of the application of the profits.

The rules of a society registered since the passing of the Act are binding upon the society and all its members and all persons claiming through them to the same extent as if each member had subscribed his name and affixed his seal thereto (section 22).

Every society shall have a registered office, to which all

communications and notices shall be addressed. Notice of the situation of such office and of every change thereir shall be sent to the Registrar.

Registered Office

(Sections 11 and 12).

The registered name of the society must be painted or affixed and kept painted or affixed on the outside of any office or place in which the business of the society is carried on, and the seal must have the registered name engraven upon it. The registered name must appear in all notices, advertisements, and all official documents emanating from the society.

The accounts of every society shall once in every year be submitted to one of the public auditors appointed by the Treasury, or to two or more persons appointed as provided by the rules. It is of great importance that the auditors should observe the provisions of sub-section 2 of section 13.

Every society must, not later than March 31st in each year, send to the Registrar a return of its receipts, expenditure, funds and effects, as audited. The manner in which this return is to be made out and signed is set forth in sub-section 2 of section 14.

Annual Returns
(Sections 14, 15, and 16). A copy of the auditors' report is to be sent to the Registrar together with the annual return.

Every society must supply gratuitously a copy of the annual return to every member or person interested in the funds of the society on his application.

A copy of the last balance sheet and of the auditors' report must be kept always hung up in a conspicuous place in the registered office of the society.

Except the rules registered after the passing of the Act provide otherwise, a member or a person having an interest

in the funds shall only be allowed to inspect his own account and the books containing the names of the members, and no person, unless he be an officer of the society or authorised by a resolution thereof, shall be entitled to inspect

Inspection of Books

(Sections 17 and 18).

the loan or deposit account of a member without the written consent of such member.

The Registrar may, however, upon the conditions which are enumerated in section 18, appoint an accountant or actuary to inspect the books of a society and make a report thereon. The result shall be communicated to the society as well as to the persons applying for such inspection.

A society which has any withdrawable share capital is precluded from carrying on the business of banking. But

Banking
(Section 19). the taking of deposits of not more than ten shillings in one payment, nor more than twenty pounds for any one depositor, payable at not less than two days' notice, shall not be regarded as banking under the Act. A society which takes such deposits shall not allow any capital to be withdrawn provided there is any unsatisfied claim which is due in respect of such deposit.

Every society which is permitted by the Act to carry on the business of banking is liable to the conditions imposed on ordinary bankers with regard to the publication of the statement, the form of which is given in the third schedule.

The registration of a society constitutes it a body corporate, with perpetual succession and a common seal and with limited liability; it vests in the society all property vested in persons in trust for it.

Incorporation
(Section 21). The society when registered may sue and be sued in its corporate name.

All debts due from members may be recovered in the County Court either of the district in which the registered office of the society is situate or of the district in which the member resides.

**Recovery of
Debts from
Members**
(Section 23). A society has a lien on the shares of any member owing money, and may set off any sums credited to the member in or towards payment.

Speaking generally, a society is not liable to the payment of income tax under schedules C and D of the Income Tax

**Exemption
from
Income Tax
(Section 24).**

Acts. If, however, the number of its shares is limited, and it sells to non-members, the exemption does not apply. It should be borne in mind that the freedom from liability only applies to the society in its corporate capacity, and not to the individual members ; also that, for practical purposes, it only extends to the profits derivable from business. Societies owning or occupying land or buildings are liable under schedules A and B respectively.

This Act gives power to a member, by writing under his hand, to nominate any person or persons, to or among whom

**Nomination
(Sections 25
and 26).** his property in the society, or so much as is included in the nomination, shall be transferred at his death. This, however, is subject to the following essential conditions :—

- (a) That the amount credited to the member in the books of the society does not, at his death, exceed £100.
- (b) That the nomination has been delivered at, or sent to the registered office of the society, in the lifetime of the member, or made in any book kept thereat.
- (c) That the person nominated is not an officer or servant of the society, unless such person be the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator.

The condition that the nominating member must not be under the age of 16 years is not of much importance, seeing that no person under that age may be a member of a registered society. (See section 32.)

A nomination so made can only be revoked by any similar document made in accordance with the above conditions ; it cannot be revoked or varied by the will or codicil of the nominator.

It is important to observe that the Act makes it imperative on all societies to keep a book in which the names of all

persons so nominated, and all revocations or variations (if any) of such nominations, shall be regularly entered.

When satisfactory proof of the death of the nominator has been received, the property comprised in the nomination shall either be transferred or paid over to the nominee, provided that the share capital of such nominee is not thereby raised to a sum exceeding £200, but in that event the property nominated must be paid to him, as he cannot, under section 4, hold more than that amount of shares in any society.

If the total property of the nominator in the society at his death exceeds £80, it is necessary, before payment is made, that there shall be produced either a duly stamped receipt for the succession or legacy duty, or the certificate of the Commissioners of Inland Revenue that no such duty is payable.

The Act gives power to the committee, in the event of a member holding not more than £100 in the society dying

Provisions for Intestacy
(Sections 27 and 28).
intestate and without nomination then subsisting, to distribute the same, without requiring the production of letters of administration, among such persons as appear to the committee

"to be entitled by law to receive the same." This is subject to similar conditions to those just referred to with regard to the production of the receipt or certificate of the Commissioners of Inland Revenue, if the amount exceeds £80.

This power should not be exercised unless there is unmistakable evidence that the recipients are entitled by law to receive the property. A statutory declaration by a disinterested person should in all cases be required.

If any such member is illegitimate, and dies without leaving a widow, widower, or issue, the direction of the Treasury is requisite.

Probate duty is payable where the whole estate exceeds £100.

A society may, where it is proved to the satisfaction of the committee that "it is just and expedient so to do," pay

**Property
of Insane
Members
(Section 29).**

the amount of the shares, loans, and deposits, not exceeding £100, of an insane member, where no committee or trustee of his property has been duly appointed, to any person whom they shall judge proper to receive the same, whose receipt shall be a good discharge.

All payments or transfers made by the committee under the provisions of the Act with respect to payments or transfers to or on behalf of deceased or insane members, to any person apparently entitled, shall be valid and effectual against any demand made by any other person (section 30).

A person under the age of 21, but above the age of 16, may be a member of a society unless its rules provide to the contrary, and may enjoy all the rights of membership, but he shall not be a member of the committee, trustee, manager, or treasurer of the society.

**Membership
of Minors
(Section 32).** The register of members or shares kept by a society shall be *prima-facie* evidence of such particulars as are enumerated in sub-sections *a*, *b*, and *c*, section 34.

Contracts may be made on behalf of a society and varied or discharged—

**Contracts
(Section 35).** (a) Under the seal of the society in all cases in which the contract would be required to be under seal if made between private persons.

(b) Under the hand of any person acting under the express or implied authority of the society, where the contract if made between private persons would be required to be in writing and signed by the person to be charged.

(c) By parol, by any person acting under the express or implied authority of the society, where a parol contract would be valid if made between private persons.

A society is empowered, if its rules do not direct otherwise, to acquire land of any tenure, and to build upon and generally to deal with it in the same manner as

Holding of Land (Sections 36 and 37). a private person. If entitled to hereditaments of copyhold or customary tenure, it may require

the lord of the manor to admit three persons appointed as trustees on its behalf, upon payment of the usual fees and other dues payable on the admission of a single tenant.

A society may invest any part of its capital in or upon any security authorised by its rules, and also if the rules do not direct otherwise, in the manner provided by the Act.

Investments (Sections 38 and 39). It is of great importance that a society when

intending to make investments not falling within the scope of its rules should give careful consideration to sub-sections (a), (b), and (c) of section 38, as all investments which are not authorised by the rules or permissible under the Act are invalid.

A society investing in an authorised manner shall be deemed a person within the meaning of the Companies Acts and the Building Societies Acts. A society not chargeable with income tax may invest in savings banks.

A society may by its rules provide for advances to its members on the security of real or personal property.

Advances to Members (Sections 40, 41, and 42). Societies carrying on the business of banking may lend in any manner customary in the conduct of such business.

Any body corporate, if its regulations permit, may hold shares by its corporate name in a society. Societies which are members of other corporate bodies may vote by proxy.

In England and Ireland a mortgage may be discharged by a receipt endorsed thereon or annexed thereto, signed by two

Mortgages (Sections 43, 44, 45, and 46). members of the committee and countersigned by the secretary. This is called a vacating receipt, and vests the mortgaged property in the person entitled to the equity of redemption without any other conveyance. A form of such receipt is set forth in the third schedule.

For the regulations as to the receipt of discharge with regard to mortgages in Scotland, and the forms relating thereto, see section 44, and the third schedule to the Act.

If a society is in liquidation, the receipt of the liquidator will be sufficient.

Any deed or writ to which any society is a party shall be held to be duly executed on behalf of such society in Scotland if it is either executed in conformity with the present law thereof or is sealed with the society's seal, subscribed on its behalf by two members of the committee and the secretary.

A mortgagor, on payment of all moneys due, is entitled to a receipt in the appropriate form provided by the Act.

If the rules of the society require, every officer having receipt or charge of money shall, before entering upon his duties, be bound, with or without a surety, by bond, or give the security of a guarantee society (Sections 47, 48, and 79), for the payment by him of all sums due from him to the society of which he is an officer.

Security by Officers (Sections 47, 48, and 79). Every officer having receipt or charge of money, or his personal representatives, shall, at such times as the rules prescribe or upon demand made, or notice in writing given or served as prescribed, give in his account, and shall, on the like demand or notice, pay over all moneys and deliver all property in his hands or under his control to such persons as the society or the committee appoint, and in case of default the society may sue upon the bond or security, or may apply to the County Court or to a Court of Summary Jurisdiction, and the order of such Court shall be final and conclusive. This provision shall apply in all cases in which the servant

of the society is not engaged under a special agreement to account.

"Officer" is stated by the interpretation section of the Act (s. 79) to "extend to any treasurer, secretary, member of the committee, manager, or servant other than a servant appointed by the committee of a society."

It is usual for the rules of a society to provide for the decision of disputes between members, persons who have ceased to be members within a period of six months, persons claiming through such members or former members, or persons claiming under the rules on the one hand, and the society on the other. Where such provision is made, and the dispute is one which falls within the rules, the decision, if made within forty days, after application for a reference, is binding and conclusive upon all parties without appeal. But the parties may by consent, provided the rules do not expressly forbid it, refer the dispute to the Chief or Assistant Registrar. The rules may direct that disputes shall be referred to justices, in which case the dispute shall be determined by a Court of Summary Jurisdiction.

Where, however, the rules contain no direction as to disputes, or where no decision is made within the before-mentioned period of forty days after the application to the society for a reference under its rules, the member or person aggrieved may apply to the county court or to a Court of Summary Jurisdiction, which may determine the matter in dispute.

It is therefore of great importance, for the purpose of avoiding unnecessary litigation, that all societies should make provision in their rules for the settlement of disputes.

Upon the application of a prescribed proportion or number of the members of a society, the Registrar may, with the consent of the Treasury, appoint an inspector to report on the affairs of such society, or he may call a special meeting of the members, and he may decide as to the payment of the expenses incurred.

**Inspection of
Affairs**
(Section 50).

A special resolution is defined as a resolution which is—

(a) Passed by a majority of not less than three-fourths

Special Resolution
(Section 51). of such members of a registered society for the time being entitled under the rules to vote, as may have voted in person or by proxy, where the rules allow proxies, at any general meeting of which notice specifying the intention to propose the resolution has been duly given according to the rules ; and

(b) confirmed by a majority of such members for the time being entitled under the rules to vote, as may have voted in person or by proxy, where the rules allow proxies, at a subsequent general meeting, of which notice has been duly given, held not less than fourteen days nor more than one month from the day of the meeting at which such resolution was first passed.

At any meeting above mentioned a declaration by the chairman that a resolution has been carried shall be deemed conclusive evidence of the fact.

By special resolution a society may, with the approval of the Registrar, change its name ; but no such Power to Change Name
(Section 52). change shall affect the rights or obligations of the society or of any member thereof.

Two or more societies may by special resolution become amalgamated as one society, and the property of such societies Amalgamation
(Section 53). shall become vested in the amalgamated society without any conveyance other than that contained in the special resolution.

Conversion of a Society into a Company and vice versa
(Sections 54 and 55). By special resolution, a society may convert itself into a company under the Companies Acts and by like means a company may convert itself into a society.

A special resolution shall not take effect until a copy thereof, signed by the chairman of the meeting at which the

Registration of Special Resolution (Section 56). resolution was confirmed, and countersigned by the secretary of the society, has been sent to the central office and registered there.

A society may be dissolved—

Dissolution of Societies (Section 58). (a) By an order to wind up, or a resolution made as directed in regard to companies by the Companies Acts ; or

(b) By the consent of three-fourths of the members, testified by their signatures to an instrument of dissolution.

If a society is wound up in pursuance of an order or resolution, the liability of the members, present or past, to contribute for payment of the debts and liabilities of the society, the expenses of winding up, and the adjustment of the rights of contributors amongst themselves, are qualified in the manner prescribed in the sub-sections of section 60, which should be carefully perused.

Liability of Members in Winding-up (Section 60). Where a society is terminated by an instrument of dissolution, the provisions of sub-sections (a), (b), (c), (d), and (e) must be strictly observed.

The ordinary offences under the Act (for which a penalty in a sum of £5 may be inflicted) are divisible into—

Offences Penalties (Sections 62 to 69). (1) Those of omission, such as (a) failing to give any notice, send any return, or document, or to do or allow to be done any act or thing which the Act requires ; (b) wilfully neglecting or refusing to do any act or furnish information required by the Registrar ; (c) if the society carries on the business of banking, failing to make out and keep conspicuously hung up the statement required to be kept by societies which do banking business.

(2) Those of commission, such as (a) making a false or

insufficient return, or wilfully furnishing false or insufficient information ; (b) carrying on the business of banking when the society has any withdrawable share capital, or making any payment of such capital contrary to the provisions of the Act ; (c) delivering to any person, with intent to mislead or defraud, a copy of the rules other than the rules for the time being of the society, or giving a copy of rules on the pretence that such rules are those of a registered society when the society is not registered ; (d) doing any act or thing forbidden by the Act.

The other offences (which may be described as special) for which a penalty of £50 may be imposed are—

- (1) Falsification of the balance sheet, or of any contribution or collecting book of a society, or of any return or document required to be sent, produced, or delivered for the purposes of the Act.
- (2) Using as the seal of the society a seal upon which its name is not engraved.
- (3) Issuing any notice, advertisement, or other official publication, wherein the name of the society is not mentioned.
- (4) Signing or authorising to be signed on behalf of the society any bill of exchange, promissory note, endorsement, cheque, order for money or goods, or issuing or authorising to be issued any bills of parcels, invoice, receipt, or letter of credit of the society wherein its name is not mentioned. The person committing such offence is personally liable to the holder of such bill of exchange, promissory note, cheque, or order for money or goods, unless the same is paid by the society in addition to the penalty.

Fraud and misappropriation of any property of the society

are punishable with a fine of £20 and costs, and in default of payment, three months' imprisonment.

All fines under the Act are recoverable summarily.

It should be observed that every offence by a society under the Act shall be deemed to have been committed also by every officer of the same bound by the rules thereof to fulfil the duty whereof such offence is a breach, or, if there be no such officer, then by every member of the committee, unless such member be proved to have been ignorant of or to have attempted to prevent the commission of such offence ; every offence if continued shall constitute a new offence in every week during which the same continues.

The Treasury is empowered to appoint public auditors, and to determine the rate of remuneration to be paid to them

**Public
Auditors** by societies ; the employment of such public auditors is not made compulsory by the Act, (Section 72). although it is highly desirable in all cases.

**Evidence of
Documents** Every copy of rules or other instrument or document, or copy or extract of such instrument or document, bearing the seal or stamp of the central office, and every document purporting to be signed by the (Section 75). Registrar or inspector or public auditor, shall be received in evidence without further proof.

The remaining sections of the Act deal with the duties of Registrars, the application of the Act to the Channel Islands, definitions, and enactments repealed.

In the schedules will be found (1) table of enactments repealed; (2) details of matters to be provided for by the rules of societies; (3) (a) form of statement to be made out by a society carrying on the business of banking, (b) form of bonds, (c) forms of receipt to be endorsed on mortgage or further charge; and (4) form of acknowledgment of registry of society and of registry of amendment of rules. These will all be found in Mr. J. C. Gray's edition of the Act, published by the Co-operative Union Limited.

The Industrial and Provident Societies Act, 1894.

(57 Vict., c. 8.)

This is merely an amendment of the Former Act in so far as it relates to the Island of Jersey.

By section 2 it substitutes the words "constable of the parish" for "bailiff of the parish" in sub-head (d) of sub-section 1 of section 77 of the principal Act, and section 3 gives power to societies within the Island of Jersey to invest any part of their funds in the "Rentes Publiques," or in the States' Bonds of the island if they think fit.

The Industrial and Provident Societies (Amendment) Act, 1895.

(58 and 59 Vict., c. 30.)

Provides—

(S. 2) That in proceedings in winding up a society in Scotland under the principal Act, the Sheriff's Court shall be the one having jurisdiction.

(S. 3) That for sub-section 1 of section 7 of the principal Act there shall be substituted a sub-section giving power to a society to appeal from the refusal of the Registrar to register the society or any rules or amendment—

- (a) To the High Court in England;
- (b) To the Chief Registrar in Scotland or Ireland, and if he refuse, to the Court of Session in Scotland or to the High Court in Ireland.

The principal Act of the Acts of 1894 and 1895 may be cited as the Industrial and Provident Societies Acts. 1893 to 1895.

The Industrial and Provident Societies (Amendment) Act, 1913.

(3 and 4 Geo. V., c. 31.)

A society consisting of two or more registered societies may, notwithstanding anything contained in section 5 of the Industrial and Provident Societies Act, 1893 (the principal Act) be registered if the application is signed by two members of the committee and the secretary of each of the constituent societies, and is accompanied by two printed copies of the rules of each such society.

Registration of Society consisting of two or more other Societies. (Section 1).

Every registered society shall once in every year submit its accounts for audit to one or more of the public auditors appointed under the provisions of the principal Act.

Audit of Accounts. (Section 2).

An auditor shall not hold any other office in connection with the society.

Substitute for paragraph (c), sub-section (2) of section 14, the following :—

Annual Return. (Section 3). “(c) Shall be made up from the date of its registration or annual return to that of its last published balance sheet, unless the last-mentioned date is more than four months before or more than one month after the 31st day of December, in which case it shall be made up to the said 31st of December inclusive.”

Together with the annual return, a copy of the report of the auditors, and a copy of each balance sheet made during the period included in the return shall be sent to the Registrar.

At least once in every three years a special return shall be sent to the Registrar, signed by the auditors, showing the holding in shares or loans of each person in the society at the date to which the said annual return is made out; provided that, where such persons are in the list of members kept by the

Triennial Returns of Shareholders. (Section 4).

society distinguished by numbers, such numbers, without specifying names, shall be sufficient.

Substitute for section 25—

- Amendment as to Nominations. (Section 5).**
- (1) A member may nominate any person or persons to or among whom there shall be transferred at his decease such property in the society as may be his at that time, or so much thereof as is specified. The nomination shall be valid to the extent of £100, not further or otherwise; provided that a person so nominated shall not be an officer or servant of the society, unless such officer is the husband, wife, father, mother, child, brother, sister, nephew, or niece of the nominator.
- (2) A nomination may be revoked or varied by a subsequent nomination signed and delivered under the hand of the nominator, but shall not be revocable or variable by the will or codicil of the nominator.
- (3) The society shall keep a book wherein the names of all persons so nominated, and all revocations or variations shall be recorded. The property, not exceeding £100, shall be payable or transferable to the nominee, although the rules declare the shares not to be transferable.
- (4) The marriage of a member shall operate as a revocation of any nomination made by him before such marriage, provided that, in the event of an officer having transferred any property of a member to a nominee, in ignorance of a marriage contracted subsequent to the date of nomination, the receipt of the nominee shall be a valid discharge, and the society shall be under no liability to any other person claiming such property."

As regards nominators dying after the commencement of this Act, substitute for sub-section (1) of section 26—

- 2.—“(1) On receiving satisfactory proof of the death of a nominator, the committee of the society shall, subject to the limitation on amount hereinbefore provided, either transfer the property as directed, or pay to every person entitled thereunder the full value of the property given to him, unless the shares comprised in the nomination, if transferred as directed, would raise the share capital of any nominee to a sum exceeding £200, in which case the excess value shall be paid to him.
- “(2) Where a nominee is under 16 years of age, the society may pay the sum nominated to either parent, or to a guardian of the nominee, or to any other person of full age who will undertake to hold the same on trust for the nominee or to apply the same for his benefit and whom the society may think a fit and proper person for the purpose, and the receipt of such parent, guardian, or other person shall be a sufficient discharge to the society for all moneys so paid.”

Substitute the following provisions for section 28 :—

- Provisions
as to Death
Duties.
(Section 6).**
- “(1) If the principal value of the estate, in respect of which estate duty is payable, of any deceased member of a registered society exceeds £100, any property or money to be transferred or paid under sections 25, 26, or 27 of this Act without probate or administration shall be liable to estate duty as part of the amount on which that duty is charged ; and the committee, before making any such transfer or payment, may require a statutory declaration by the claimant that such principal value, including the property or money in question, does not, after deduction of debts and funeral expenses, exceed £100.

"(2) If the principal value exceeds £80, the committee of the society shall, before making any transfer or payment, c'ther than to the legal personal representative of the deceased member, require the production of a certificate from the Commissioners of Inland Revenue of the payment of the estate duty, or a certificate that no estate, succession, or legacy duty is payable thereon."

(Section 7). Section 7 repeals section 29 (which relates to the property of insane members) "not exceeding £100."

On dissolution or transfer of engagements, as provided for in sections 53 and 58, the society shall not be dissolved and registration of the society shall not be cancelled until a certificate signed by the liquidator or by the secretary or some other officer of the society approved by the Registrar has been lodged with the Registrar that all property vested in the society has been duly conveyed or transferred by the society to the persons entitled.

Section 9 adds after the word "incidental," in sub section (4) of section 50, the words "or preliminary."

Substitute for section 62—"It shall be an offence under this Act if—

- Offences by Societies.** (Section 10).
- (a) A registered society fails to give any notice, send any return or document ; or
 - (b) Wilfully neglects or refuses to do any act, or to furnish any information required for the purposes of this Act by the Chief or other Registrar, or does anything forbidden by this Act ; or
 - (c) An officer or member makes a return or wilfully furnishes information in any respect false or insufficient : or

(d) Carries on the business of banking when it has any withdrawable share capital, or in carrying on such business does not make out and keep conspicuously hung up such statement as is hereinbefore required, or makes any payment of withdrawable capital contrary to the provisions of this Act."

The following sub-sections shall be added to the provisions of section 69 :—

Recovery of Penalties. (Section 11). " (3) Any costs or expenses ordered by the Chief or other Registrar to be paid by any person shall be recoverable summarily before a court of summary jurisdiction as a civil debt.

" (4) Where proceedings are taken against a society for the recovery of any fine, the summons or other process shall be sufficiently served by leaving a true copy thereof at the registered office of the society, or, if that office is closed, by posting the copy on the outer door of that office."

This Act may be cited together with similar Acts as the Industrial and Provident Societies Acts, 1893 to 1913. It shall come into operation on 1st January, 1914, and the principal Act is hereby repealed to the extent specified in the third column of the schedule to this Act.

Short Title, &c. (Section 12).

SCHEDULE.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
56 & 57 Vict., c. 39.	The Industrial and Provident Societies Act, 1893.	<p>Sub-section (1) of section 13. In section 14, paragraph (c) of sub-section (2), and all the words from "and if by any persons" to the end of the section.</p> <p>Section 25, except as respects nominations made before the commencement of this Act.</p> <p>Section 26.</p> <p>Sub-section 1 of section 27, from "subject" to the end of the sub-section.</p> <p>Section 28.</p> <p>In section 29, the words "not exceeding £100."</p> <p>Section 62.</p> <p>In section 72, the words "but the employment of such auditors shall not be compulsory."</p>

CHAPTER XXXIV.

The Stamp Act, 1891.

(54 and 55 Vict., c. 39.)

The space allotted does not allow more than a brief reference to such provisions of the Act as may be regarded as affecting generally the officers of co-operative societies. These, for the purpose of convenience, are arranged below in the alphabetical order of the names of the instruments to which they are applicable.

NAME.	AMOUNT OF DUTY. £ S. D.	EXEMPTIONS AND REMARKS.
Affidavit and Statutory Declaration.	0 2 6	
Agreement : Under hand only, in Scotland with no Registration clause not otherwise charged Ditto under seal ... Or <i>ad valorem</i> , as the case may be.	0 0 6 0 10 0	If the matter of the agreement is not of the value of £5; or if the agreement is for the hire of any artificer, labourer, manufacturer, or menial servant; or if it is made for or relates to the sale of any goods, wares, or merchandise; or if made between the master and mariners of any ship or vessel for wages on any voyage coastwise from port to port in the United Kingdom; or if entered into between a landlord and tenant pursuant to sub-section 6 of section 8, or sub-section 2 of section 20 of the Land Law (Ireland) Act, 1881, no duty is payable. If the Agreement is charged with 6d. duty it should be stamped within fourteen days after execution.
Appointment of a new Trustee.	0 10 0	
Apprenticeship, instrument of.	0 2 6	An instrument whereby a poor child is apprenticed at the sole charge of a parish, township, or public charity is exempt.
Attested Copy	0 1 0	

NAME.	AMOUNT OF DUTY. £ S. D.	EXEMPTIONS AND REMARKS.
Bill of Exchange, payable on demand or within three days.	0 0 1	
Bill of Exchange and Promissory Note of any kind whatsoever (except a bank note), drawn, or payable or negotiated, in the United Kingdom.	0 0 1 0 0 2 0 0 3 0 0 6 0 0 9 0 1 0 0 1 0	Where the value does not exceed £5 Exceeds £5 and does not exceed £10 " £10 " £25 " £25 " £50 " £50 " £75 " £75 " £100 Exceeds £100, for every £100, and also for any fractional part of £100 of such amount or value.
		There are eleven cases of exemption, which relate chiefly (a) to bankers and banking, and (b) to Government Officials.
		Where the duty is payable by an adhesive stamp, the same is to be cancelled by the person by whom the bill is signed, before it leaves his custody or power. A penalty of £10 is imposed for issuing any unstamped bill or note.
		For the provisions as to stamping foreign bills and notes, reference should be made to the Act itself.
Bill of Lading	0 0 6	Of or for any goods, merchandise, or effects to be exported or carried coastwise. Stamp must be affixed before execution.
Bill of Sale .....	....	Absolute, see "Conveyance." By way of security, see "Mortgage."
Bond .....	....	For securing the payment or repayment of money, or the transfer or re-transfer of stock, see "Mortgage."
Bond .....	....	In relation to an annuity, where the total amount can be ascertained, see "Mortgage."
Bond	0 2 6	For securing an annuity for the term of life or any other indefinite period, for every £5 or part of £5 of the annuity, if principal security.
	0 0 6	If collateral security, for every £5 or portion thereof.
	0 0 6	Deferred life annuity granted in consideration of annual premiums until a specified age. For every

NAME.	AMOUNT OF DUTY. £ s. d.	EXEMPTIONS AND REMARKS.
Bond .....	.....	£5, or fractional part of £5, of the annuity. Given pursuant to the directions of any Act or of the Commissioners, Where the penalty does not exceed £150 the same <i>ad valorem</i> duty as a bond for the amount of the penalty.
Bond	0 5 0	In any other case.
Bond	0 5 0	On obtaining letters of administration in England or Ireland, or a confirmation of testament in Scotland.
Bond	0 10 0	Exemptions : (1) If given by the widow, child, father, mother, brother, or sister of any common seaman, marine, or soldier, dying while under service ; (2) if given by any person where the estate to be administered does not exceed £100 in value.
Bond .....	.....	Of any kind whatsoever not specifically charged with duty.
Contract .....	.....	Where the amount does not exceed £300, the same <i>ad valorem</i> duty as a bond for the amount limited.
Contract Note.....	.....	In any other case.
Conveyance or transfer of stock.	0 0 1 0 1 0 0 7 9	A penalty of £50 is imposed by the Act upon unqualified persons preparing instruments. See "Agreement." For or relating to the sale or purchase of any stock or marketable security— Of the value of £5 and under £100 Of the value of £100 or upwards. Of the Bank of England. Of any inscribed Stock of the Government of Canada, or of any Colonial Stock to which the Colonial Stock Act, 1877, applies.
Conveyance or transfer on sale of any property (except such Stock as aforesaid).	0 2 6 0 0 6 0 1 0 0 1 6	For every £100, and for any fractional part of £100, of the nominal amount of Stock transferred. Where the consideration does not exceed £5. Exceeds £5 and does not exceed £10 " £10 " £15

NAME.	AMOUNT OF DUTY. £ S. D.	EXEMPTIONS AND REMARKS.		
Conveyance or transfer on sale of any property (except such Stock as aforesaid).	0 2 0 0 2 6 0 5 0 0 7 6 0 10 0 0 12 6 0 15 0 0 17 6 1 0 0 1 2 6 1 5 0 1 7 6 1 10 0 0 5 0	Exceeds £15 and does not exceed £20 " £20 " £25 " £50 " £50 " £75 " £100 " £100 " £125 " £150 " £150 " £175 " £200 " £225 " £225 " £250 " £275 " £275 For every £50 and for any fractional part of £50 of such amount or value.	£25 £50 £75 £100 £125 £150 £175 £200 £225 £250 £275 £300	
Conveyance or transfer of any kind not before described.	0 10 0			
Copyhold and Customary Estates ..	0 10 0	Copy of court roll of any sur- render or grant made in court.		
Counterpart or Duplicate of any instrument chargeable with duty.	....	Where the duty does not amount to 5s., the same amount as the original instrument.		
Covenant, Deed of ..	0 5 0	In any other case. Where the <i>ad valorem</i> duty in respect of the consideration or mortgage money does not exceed 10s., the same amount as such <i>ad valorem</i> duty.		
Declaration of Trust ..	0 10 0	In any other case.		
Deed of any kind not described in the schedule to the Act.	0 10 0 0 10 0			
Delivery Order	0 0 1			
Equitable Mortgage ..	0 1 0	For every £100 or any fractional part of £100 of the amount secured.		
Insurance .....	....	See "Policy."		
Lease	0 0 1	(1) For any definite term not exceeding a year of a dwelling-house or part thereof, at a rent not exceeding £10 per annum; (2) for any definite term less than a year of any furnished dwelling-house or apartments where the rent for such term exceeds £25.		
	0 2 6			

	If the term does not exceed 35 years or is indefinite	If the term exceeds 35 years but does not exceed 100 years.	If the term exceeds 100 years.
Lease.	£ s. d.	£ s. d.	£ s. d.
Not exceeding £5 per annum.....	0 0 6	0 3 0	0 6 0
Exceeding £5 and not exceeding £10	0 1 0	0 6 0	0 12 0
" £10 "	0 1 6	0 9 0	0 18 0
" £15 "	0 2 0	0 12 0	1 4 0
" £20 "	0 2 6	0 15 0	1 10 0
" £25 "	0 5 0	1 10 0	3 0 0
" £50 "	0 7 6	2 5 0	4 10 0
" £75 "	0 10 0	3 0 0	6 0 0
For every full sum of £50, and also for any fractional part of £50 thereof.....	0 5 0	1 10 0	3 0 0

NAME.	AMOUNT OF DUTY. £ s. d.	EXEMPTIONS AND REMARKS.
Letter or Power of Attorney - Proxy ..	0 0 1	For the sole purpose of appointing or authorising a proxy to vote at any one meeting, at which votes may be given by proxy, whether the number of persons named in such instrument be one or more.
		A proxy given for a particular meeting and any adjournment thereof comes within this charge; but a proxy to vote at more than one meeting, or to vote generally at all meetings, is liable to a duty of 10s.
Memorial .....	....	To be registered pursuant to any Act relating to the public registering of deeds in England or Ireland.
		Where the instrument registered is chargeable with any duty not amounting to 2s. 6d., the same duty as the registered instrument.
		In any other case.
Mortgage, Bond, Debenture, Covenant (except a marketable security otherwise charged), and Warrant of Attorney to confess and enter up judgment.	0 2 6 0 0 3 0 0 8 0 1 3 0 2 6 0 3 9 0 5 0	(1) Being the only or principal or primary security (other than an equitable mortgage) for the payment or repayment of money. Not exceeding £10. Exceeding £10 and not exceeding £25 " £25 " £50 " £100 " £150 " £150 " £200

NAME.	AMOUNT OF DUTY. £ s. d.	EXEMPTIONS AND REMARKS.
Mortgage, Bond, Debenture, Covenant (except a marketable security otherwise charged), and Warrant of Attorney to confess and enter up judgment.	0 6 3 0 7 6 0 2 6 0 0 6 0 0 6 0 0 6	<p>Exceeding £200 and not exceed £250 " £250 " £200</p> <p>Exceeding £300—for every £100 and also for any fractional part of £100 of the amount secured.</p> <p>(2) Being a collateral, or auxiliary, or additional, or substituted security (other than an equitable mortgage) or by way of further assurance for the above mentioned purpose where the principal or primary security is duly stamped.</p> <p>For every £100, and also for any fractional part of £100 of the amount secured.</p> <p>(3) Being an equitable mortgage, see above.</p> <p>(4) Transfer, assignment disposition, or assignation of any mortgage, bond, debenture, or covenant (except a marketable security), or of any money or stock secured by any such instrument, or by any warrant of attorney to enter up judgment, or by any judgment.</p> <p>For any £100 and also for any fractional part of £100 of the amount transferred, assigned, or disposed, exclusive of interest which is not in arrear.</p> <p>And also where any further money is added to the money already secured, the same duty as the principal security for such further money.</p> <p>(5) Reconveyance, release, discharge, surrender, re-surrender, warrant to vacate, or renunciation of any such security as aforesaid, or of the benefit thereof, or of the money thereby secured.</p> <p>For every £100 and also for any fractional part of £100 of the total amount or value of the money at any time secured.</p> <p>A receipt acknowledging the payment of principal and interest endorsed upon an instrument chargeable with mortgage duty is not liable to reconveyance duty, and is exempt from receipt duty.</p>

NAME.	AMOUNT OF DUTY. £ s. d.	EXEMPTIONS AND REMARKS.
Policy of Insurance..		
Life	0 0 1	For any sum not exceeding £10.
	0 0 3	Exceeds £10 but does not exceed £25.
	0 0 6	Exceeds £25 but does not exceed £50—for every full sum of £50 and also for any fractional part of £50 of the amount insured.
	0 1 0	Exceeds £50 but does not exceed £1,000—for every full sum of £100 and also for any fractional part of £100 of the amount insured.
	•	Exceeds £1,000—for every full sum of £1,000 and also for any fractional part of £1,000 of the amount insured.
	0 10 0	
Policy of Insurance against Accident.	0 0 1	For payment during sickness or incapacity from personal injury or by way of indemnity against loss or damage of or to any property.
Promissory Note (see Bill).		
Protest of Bill or Note.	....	Where the duty on the Bill or Note does not exceed 1s., the same duty as the Bill or Note.
		In any other case.
Receipt	0 1 0	Given for or upon the payment of money amounting to £2 or upwards.
	0 0 1	
Settlement	0 5 0	For the exemptions, which are numerous, see Act.
		For every £100 and also for any fractional part of £100 of the amount or value of the property settled.
Voting Paper.....	0 0 1	Any instrument for the purpose of voting by any person entitled to vote at any meeting of any body exercising a public trust, or of the shareholders or members, or contributors to the funds of any company, society, or institution.
		The charge applies to meetings of charities, dock companies, and other companies at which voting by proxy is allowed. Voting papers which may be sent by letter, where there is no meeting, are not liable to duty.

As to the stamp on a hire purchase agreement, section 7 of the Finance Act, 1907 (7 Edw. VII., c 13), provides as follows :—

Any agreement for or relating to the supply of goods on hire, whereby the goods in consideration of periodical payments will or may become the property of the person to whom they are supplied, shall be charged with stamp duty as an agreement, or, if under seal (or in Scotland with a clause or registration), as a deed, as the case requires, and the exemption numbered (3) under the heading "Agreement or any Memorandum of an Agreement," in the First Schedule to the Stamp Act, 1891 (which exempts agreements for the sale of goods), shall not apply in the case of any such instrument.

**Stamping
of Hire
Purchase
Agreement.**

CHAPTER XXXV.

The Factory and Workshop Acts.**The Factory and Workshop Act, 1901.**

(1 Edw. VII., c. 22.)

It is not too much to say that it is impossible for the student to understand the provisions of this complicated Act unless he has a clear conception of the meaning of the expressions "factory" (textile, non-textile, tenement, and domestic) and "workshop" assigned to them in the Act. Without this the Act must be altogether unintelligible to him. It is therefore deemed advisable, at the risk of being considered prolix, to set forth at once the definitions of those terms contained in the Act.

The expression "textile factory" means any premises wherein or within the close or curtilage of which steam, water, or other mechanical power is used to move or work any machinery employed in preparing, manufacturing, or finishing, or in any process incident to the manufacture of cotton, wool, hair, silk, flax, hemp, jute, tow, china-grass, cocoanut fibre, or other like material, either separately or mixed together, or mixed with any other material, or any fabric made thereof: Provided that print works, bleaching and dyeing works, lace warehouses, paper mills, flax scutch mills, rope works, and hat works shall not be deemed to be textile factories.

The expression "non-textile factory" means—

- (a) Any works, warehouses, furnaces, mills, foundries, or places named in part I of the sixth schedule to the Act. (These are printworks, bleaching and dyeing works, earthenware works, lucifer match works,

percussion-cap works, cartridge works, paper-staining works, fustian-cutting works, blast furnaces, copper mills, iron mills, foundries, metal and india-rubber works, paper mills, glass works, tobacco factories, letterpress printing works, bookbinding works, flax scutching mills, and electrical stations.)

- (b) Any premises or places named in part 2 of the said schedule wherein or within the close or curtilage or precincts of which steam, water, or other mechanical power is used in aid of the manufacturing process carried on there. (These consist of hat works, rope works, bakehouses, lace warehouses, shipbuilding yards, quarries, pit banks, and dry cleaning, carpet beating, and bottle washing works.)
- (c) Any premises wherein or within the close or curtilage or precincts of which any manual labour is exercised by way of trade or for purposes of gain in or incidental to any of the following purposes, namely :
 - (1) The making of any article or part of any article ; or
 - (2) The altering, repairing, ornamenting, or finishing of any article ; or
 - (3) The adapting for sale of any article.

And wherein or within the close or curtilage or precincts of which steam, water, or other mechanical power is used in aid of the manufacturing process carried on there.

The expression "factory" means textile factory and non-textile factory or either of those descriptions of factories.

The expression "tenement factory" means a factory where mechanical power is supplied to different parts of the same building, occupied by different persons for the purpose of any manufacturing process or handicraft, in such manner that those parts constitute in law separate factories ; and for the purpose of the provisions of the Act with respect to tene-

ment factories, all buildings situate within the same close or curtilage shall be treated as one building.

The expressions "domestic factory" and "domestic workshop" mean a private house, room, or place which, though used as a dwelling, is by reason of the work carried on there a factory or workshop as the case may be, within the meaning of the Act, and in which neither steam, water, or other mechanical power is used in aid of the manufacturing process carried on there, and in which the only persons employed are members of the same family dwelling there.

Note.—The Act does not apply to domestic workshops in which the following handicrafts are carried on by the family dwelling in the house :—

- (1) Straw plaiting ; or
- (2) Pillow-lace making ; or
- (3) Glove making.

Nor does it apply where the family dwelling in a private house or private room are engaged in manual labour for the purposes of gain in or incidental to any of the following purposes, namely :—

- (1) The making of any article or part of any article ; or
- (2) The altering, repairing, ornamenting, or furnishing of any article ; or
- (3) The adapting for sale of any article.

Provided that the labour is exercised at irregular intervals and does not furnish the whole or principal means of living to the family.

The expression "workshop" means—

- (a) Any premises or places named in part 2 of the sixth schedule (see above) which are not a factory ; and
- (b) Any premises, room, or place, not being a factory, in which or within the close or curtilage or precincts of which premises any manual labour is exercised by way of trade or for purposes of gain in or incidental to any of the following purposes, namely :—

- (1) The making of any article or part of any article ; or
- (2) The altering, repairing, ornamenting, or finishing of any article ; or
- (3) The adapting for sale of any article ;

And to or over which premises, room, or place the employer of the persons working therein has the right of access or control.

The expression " workshop " includes a tenement workshop.

" Tenement workshop " means any workplace in which, with the permission of or under agreement with the owner or occupier, two or more persons carry on any work which would constitute the workplace a workshop if the persons working therein were in the employment of the owner or occupier.

The first nine sections of the Act contain provisions as to
 (a) keeping factories and workshops (excepting domestic factories) in a cleanly state, free from effluvia,
Sanitary Provisions well ventilated, limewashed once in every four-
 (Section 1 to 9). teen months (unless they be painted, in which case they must be washed), and free from over-crowding ; (b) maintaining a reasonable temperature ; (c) maintaining sufficient ventilation ; (d) draining wet floors ; and (e) providing proper sanitary conveniences.

With the exception mentioned above, these provisions apply to all factories and workshops with this qualification, that limewashing workshops is not compulsory, but may under certain circumstances be made so.

Safety Every hoist or teagle, fly-wheel, water-wheel, engine wheel-race, and all dangerous parts of the machinery and mill gearing must either be securely fenced or (Sections 10 to 18). be in a safe position. Such fencing must be constantly maintained in an efficient state while

the machinery is in motion, except in the case of repair, or when exposed for the purpose of cleaning or lubricating. This does not apply to workshops. Steam boilers must be periodically examined and furnished with a proper safety valve, steam gauge, and water gauge, all of which must be periodically examined and maintained in proper condition.

A woman, young person, or child is not allowed to work between the fixed and traversing part of any self-acting machine in a factory while the machine is in motion.

A child is not allowed to clean in any factory—

(a) Any part of any machinery ; or

(b) Any place under any machinery other than overhead mill gearing,

whilst the machinery is in motion.

A young person is not allowed to clean any dangerous part of the machinery (in a factory) while such machinery is in motion.

A woman or young person is prohibited from cleaning mill gearing in a factory while the machinery is in motion.

The expression " child " means a person who is under the age of 14 years, and who has not, being of the age of 13 years, obtained the certificate of proficiency or attendance at school mentioned in part 3 of the Act. This certificate is in the form prescribed by the Secretary of State, and must be obtained by the occupier of the factory or workshop in which the child is employed on Monday in every week (after the first week) from the teacher of the school attended by the child, respecting the attendance of the child in school.

The expression " young person " means a person who has ceased to be a child and is under the age of 18 years.

The expression " woman " means a woman of the age of 18 years and upwards.

Sufficient means of escape from fire must be provided and maintained in all factories and workshops in which more than 40 persons are employed.

Doors of factory or workshop must not be locked or fastened to prevent their being easily opened when workmen are employed or at meals.

A court of summary jurisdiction may make an order as to dangerous machine; also as to dangerous or unhealthy factory or workshop.

Section 19, which relates to notices of accidents, is repealed by the Notice of Accidents Act, 1906. See section 4 of that Act as to notices of accidents in factories and workshops.

Women and young persons in a textile factory—

Except on Saturday, shall begin at 6 a.m. and
Employment Hours end at 6 p.m., or begin at 7 a.m. and end
(Sections 23 to 31). at 7 p.m.

On Saturday, shall begin at 6 a.m. and end at noon, as regards employment in any manufacturing process, and at 12-30 p.m. as regards employment for any purpose whatever, provided that not less than one hour is allowed for meals; but if less than this time is allowed for meals, shall end at 11-30 a.m. as regards employment in any manufacturing process, and at noon as regards employment for any purpose whatever.

If the employment begins on Saturday at 7 a.m., it shall end at 12-30 p.m. as regards any manufacturing process, and at 1 p.m. as regards employment for any purpose whatever.

There shall be allowed for meals (except on Saturday) not less than two hours, of which one hour at least, either at the same or different times, shall be before 3 p.m. On Saturday not less than half-an-hour.

A woman, young person, or child shall not be employed continuously for more than four hours and a half without an interval of at least half-an-hour for a meal.

Children in textile factories—

Shall not be employed except on the system either of employment in morning and afternoon sets, or on alternate days only.

The morning set shall begin (except on Saturday) at the hour as if the child were a young person, and end either at 1 p.m., or if the dinner-hour begins before that hour, at the beginning of dinner time; but if the dinner time does not begin before 2 p.m., at noon.

The afternoon set shall (except on Saturdays) begin either at 1 p.m. or at any later hour at which the dinner time terminates; but if the dinner-hour does not begin before 2 p.m., and the morning set ends at noon, it shall begin at noon, and shall end at the same hour as if the child were a young person.

On Saturday the employment shall begin and end at the same hour as if the child were a young person.

A child shall not be employed in two successive periods of seven days in the morning set, nor in two successive periods of seven days in an afternoon set, nor on two successive Saturdays, nor on Saturday in any week if on any other day in the same week his period of employment has exceeded five hours and a half.

When the child is employed on the alternate day system, the period of employment and the time allowed for meals shall be the same as if the child were a young person, but he shall not be employed on two successive days, and shall not be employed on the same day of the week in two successive weeks.

No child under the age of 12 years shall be employed in a factory or workshop.

A child, young person, or woman shall not be employed on Sunday, save as is specially excepted in the Act. (See sections 42, 48, 54, and 55.)

Women and young persons in a non-textile factory or workshop—

Save as is specially excepted in the Act, the hours of employment (except on Saturday) are practically the same as those applicable to textile factories, and in addition between 8 a.m. and 8 p.m.

On Saturday (save as is specially excepted in the Act) the hours are between 6 a.m. and 2 p.m., between 7 a.m. and 3 p.m., and between 8 a.m. and 4 p.m.

Except on Saturday, not less than one hour and a half, of which one hour at the least, either at the same or different times, shall be before 3 p.m., must be allowed for meals. On Saturday, not less than half-an-hour.

A woman or a young person in a non-textile factory and a young person in a workshop must not be employed continuously for more than five hours without an interval of at least half-an-hour for a meal. No child must be employed in a non-textile factory or workshop for a similar period without the like allowance for a meal.

In laundries, the period of employment (exclusive of meal hours) of women shall not exceed 14 hours in any consecutive 24 hours, or 60 hours in any one week; of young persons, 12 hours, or 60 hours per week.

For the exceptions, reference should be made to sections 28, 29, 30, 36, 37, 38, 39, 41, 42-53, 54-56, and 57 of the Act. These are important, and relate *inter alia* to print works, bleaching and dyeing works, women's workshops, factories, and workshops excepted by special order of the Secretary of State, employment of male young persons above 16 in bake-houses, in lace factories, employment in respect of fish and fruit preserving and creameries, in factories and workshops

occupied by Jews, and of women in certain flax scutch mills.

Children in non-textile factories and workshops—

The same provision as to sets applies as in the case of textile factories, and generally the restrictions as to hours of employment are the same as in textile factories.

The period of employment on the alternate day system is the same in both kinds of factories as for a young person ; but children must only work on alternate days in non-textile factories, provided that two hours are allowed for meals, except Saturday, when half-an-hour must be allowed.

On Saturday the period of employment must end at 2 p.m. or 4 p.m., as the case may be (section 27, 5b).

In laundries a child must not be employed for more than 10 hours in any consecutive 24 hours (exclusive of meal hours), nor a total of 30 hours in any one week.

As to domestic factories and workshops, see section 111 of the Act.

The occupier of every factory and workshop shall specify in a notice, which must be affixed in such factory or workshop—

- (a) The period of employment ;
- (b) The times allowed for meals ; and
- (c) Whether the children are employed on the system of morning and afternoon sets, or of alternate days.

The same provisions as to holidays for women, young persons, and children apply to textile and non-textile factories and workshops.

**Holidays
(Sections 35
and 36).**

In England, Christmas Day, Good Friday, and every Bank Holiday (unless in lieu of any of those days another whole holiday or two half-holidays is fixed by the occupier) shall be allowed.

In Scotland, there shall be allowed—(a) In burghs or police burghs, as whole holidays, the two days set apart by the Church of Scotland for the observance of the Sacramental Fast in the parish or, if those fast days have been abolished or discontinued, two days not less than three months apart, to be fixed by the town council; elsewhere two whole holidays, not less than three months apart, fixed by the occupier. (b) Eight half-holidays fixed by the occupier; but a whole holiday, fixed by the occupier, may be allowed in lieu of any two half-holidays.

In Ireland, there shall be allowed—(a) Christmas Day; (b) any two of the following days, fixed by the occupier, namely, March 17th (when it does not fall on a Sunday), Good Friday, Easter Monday, and Easter Tuesday. (c) Six half-holidays, fixed by the occupier; but a whole holiday, fixed by the occupier, may be allowed in lieu of any two half-holidays.

At least half of the said whole holidays or half-holidays shall be allowed between March 15th and October 1st in every year.

Notice must be affixed in the factory or workshop of every whole or half-holiday during the first week in January, and a copy sent to the inspector for the district.

A half-holiday shall comprise at least one half of the period of employment for women and young persons on some day other than Saturday or a day substituted for Saturday.

A woman, young person, or child shall not be employed on any day or part of a day set apart for a holiday.

Penalty, £5, for not fixing such whole or half-holidays as required by the Act.

Overtime and Night Work. See sections 49, 50, 51, 52, 53, 54, 55, and 56.

In a factory, a young person under the age of 16 or a child must not be employed for more than seven, or, if the

Certificate of Fitness for Employment (Sections 63 to 67.)

certifying surgeon resides more than three miles from the factory, 13 work days, unless the occupier has obtained a certificate of the fitness of the young person or child for employment in that factory, which must be produced to the inspector if asked for.

When a child becomes a young person, a fresh certificate of fitness must be obtained.

In order to obtain a certificate of fitness a certificate of birth, or other sufficient evidence as to age, must be produced.

Certificates of fitness are not required to be produced in workshops, except under special order of the Secretary of State.

The parent of a child employed in a factory or workshop shall cause the child to attend some recognised efficient school (which may be selected by the parent) as follows :—

Education of Children (Sections 68 to 72).

- (a) When employed in a morning or afternoon set, the child must in every week during any part of which he is so employed, attend on each work day for at least one attendance.
- (b) When employed on the alternate day system, the child must on each work day preceding each day of employment attend for at least two attendances.

An attendance must be between 8 a.m. and 6 p.m.

A child shall not be required to attend school on Saturday, or any holiday or half-holiday allowed under the Act in the factory or workshop in which he is employed.

Non-attendance is excused where caused by sickness or other unavoidable cause, if certified by the teacher.

If there is not a recognised efficient school within two miles of the child's residence, attendance at a school temporarily approved in writing by an inspector shall suffice.

A child who has not in any week made the requisite attendances must not be employed in the following week

until he has attended school for the deficient number of attendances.

The occupier of a factory or workshop in which the child is employed shall obtain weekly from the teacher a certificate respecting the attendance of the child at school in accordance with the Act, which certificate must be retained for two months, and produced if required.

Payment of the school fees not exceeding 3d. per week may be made by the occupier and deducted from the wages.

When a child of the age of 13 years has obtained a certificate of proficiency in reading, writing, and arithmetic, or of having made the prescribed number of attendances, he shall be deemed to be a young person for the purposes of the Act.

Attendance at a certified day industrial school shall be deemed to be attendance at a certified efficient school.

Part IV. of the Act deals with special provisions as to these industries. It contains certain prohibitions as to (1) the employment of young persons

Dangerous and Unhealthy Industries
(Sections 73 to 86). and children in the processes specified in section 77, and (2) women, young persons, and children taking meals in certain factories or workshops (section 78).

Tenement Factories
(Section 87). The owner, instead of the occupier, is made liable for the observance of the prescribed regulations as to cleanliness, fencing of machinery, and affixing of notices in such factories.

Cotton Cloth and other Humid Factories
(Sections 90 to 96). Provisions as to temperature and humidity, use of thermometers, &c.

Bakehouses
(Sections 97 to 102). Sanitary regulations for bakehouses.
Limewashing, painting, and washing of same.
Provisions as to sleeping places near.
Prohibition of underground bakehouses.

This section is repealed by the Factory and Workshop

Laundries (Section 103). Act, 1907, the text of which is included at the end of this chapter.

The provisions of the Act with regard to accidents, regulations for dangerous trades, fines in case of death or injury, and power to make orders as to dangerous machines, shall have effect as if every dock, wharf, quay, and warehouse, and machinery or plant used in the process of loading, unloading, or coaling any ship in any dock, harbour, or canal were included in the word "factory," and the purpose for which the machinery or plant is used were a manufacturing process, and as if the person who by himself, his agents, or workmen, uses any such machinery or plant for the before-mentioned purpose were the occupier of the premises.

The provisions of the Act with respect to accidents, regulations for dangerous trades, power to make orders as to dangerous machines, powers of inspectors (under **Buildings** (Section 105). section 119), and fines in cases of death or injury, shall have effect as if any premises on which machinery worked by steam, water, or other mechanical power is temporarily used for the purpose of the construction of a building or any structural work in connection with a building were included in the word "factory," and the purpose for which the machinery is used were a manufacturing process, and as if the person who by himself, his agents, or workmen, temporarily uses any such machinery for the before-mentioned purpose were the occupier of the said premises.

The provisions of the Act with respect to notice of accidents and the investigation of accidents shall have effect as if—

- (a) Any building which exceeds 30 feet in height, and which is being constructed or repaired by means of a scaffolding ; and
- (b) Any building which exceeds 30 feet in height, and in

which more than 20 persons, not being domestic servants, are employed for wages, were included in the word "factory," and as if, in the first case, the employer of the persons engaged in the construction or repair, and, in the second case, the occupier of the building, were the occupier of the factory.

Similar provisions of the Act with regard to railway sidings shall have effect as if the line or siding Railway. were part of the factory or workshop.

In certain trades (to be specified from time to time by the Secretary of State) the occupier of any factory and work-

Home Work. shop, and any contractor employed by such List of occupier, must keep in the prescribed form Outworkers lists showing the names and addresses of all (Section 107). persons directly employed by him, either as workmen or as contractors, in the business of the factory, or workshop outside the factory, or workshop and the places where they are employed ; and send to the inspector such copies of or extracts therefrom as he may require ; also send on or before February 1st and August 1st in each year copies of the lists to the district council of the district in which the factory or workshop is situate.

This section applies to any place from which any work is given out as if that place were a workshop.

The trades specified in an order of December 11th, 1901, are—

Making, cleaning, washing, altering, ornamenting, finishing, and repairing of wearing apparel, and any work incidental thereto ;

Making, ornamenting, mending, and finishing of lace and lace curtains and nets ;

Cabinet and furniture making and upholstery work :

Making of electro-plate ;

Making of files ; and

Fur-pulling.

In every textile factory the occupier shall, for the purpose of enabling each worker who is paid by the piece to compute **Particulars of Work and Wages** (Sections 116 and 117). the total amount of wages payable to him, cause to be published particulars of the rate of wages applicable to his work, and also particulars of the work to which that rate is to be applied.

Every Act for the time being in force relating to weights and measures shall extend to weights, measures, scales, balances, steelyards, and weighing machines used in a factory or workshop in checking or ascertaining the wages of any person employed therein, in like manner as if they were used in the sale of goods and as if the factory or workshop were a place where goods are kept for sale, and every such Act shall apply accordingly. Such weights and measures to be liable to inspection.

Administration (Sections 118 to 134). Part VIII. of the Act deals with administration.

Legal Proceedings (Sections 135 to 148). Part IX. of the Act refers to legal proceedings, including fines imposed for offences under the Act, appeals, evidence in summary proceedings, service of notices and documents.

Part X. is supplementary, and is concerned with—
 (1) Application and definitions.
 (2) Application of Act to Scotland ;
 , , Ire'and.
 (3) Repeal, &c.

Schedules.

1. Provisions as to arbitration.
2. Factories and workshops in which overtime is allowed.
3. Regulations as to grinding in tenement factories.
4. Cotton cloth factories : Table of maximum limits of humidity of the atmosphere at given temperatures.
5. Fees to certifying surgeons.

6. List of factories and workshops (sections 54, 140, 156).
 - Part I.—Non-textile factories.
 - Part II.—Non-textile factories and workshops.
7. Part I.—Enactments repealed as from the commencement of the Act.
 - Part II.—Enactments repealed from a date to be fixed by order of the Secretary of State.

Orders have been made by the Secretary of State under the provisions of this Act. For these orders the student should refer to a text book upon the Act, as there is not space to include them in this place.

The Notice of Accidents Act, 1906.

(6 Edw. VII., c. 53.)

Section 1 deals with the annual returns of accidents in mines and quarries.

Section 2 relates to the notices of accidents in mines and quarries.

Section 3 applies to railway sidings in connection with mines and quarries.

Section 4 provides for notices of accidents in factories and workshops, and is substituted for section 19 of the Factory and Workshop Act, 1901. It reads as follows :—

(1) Where any accident occurs in a factory or workshop which is either—

Notices of Accidents in Factories and Workshops.

- (a) An accident causing loss of life to a person employed in the factory or workshop ; or
- (b) An accident due to any machinery moved by mechanical power, or to molten metal, hot liquid, explosion, escape of gas or steam, or to electricity, and so disabling any person employed in the factory or workshop as to cause him to be absent throughout at least one whole day from his ordinary work ; or

- (c) An accident due to any other special cause which the Secretary of State may specify by order, and causing such disablement as aforesaid; or
- (d) An accident disabling for more than seven days a person employed in the factory or workshop from working at his ordinary work,

written notice of the accident, in such form and accompanied by such particulars as the Secretary of State prescribes, shall forthwith be sent to the inspector of the district and also in the case of the accidents mentioned in paragraphs (a) and (b) of this subsection, and (if the order of the Secretary of State specifying the special cause so requires) of accidents mentioned in paragraph (c), to the certifying surgeon of the district.

(2) If any accident causing disablement is notified under this section, and after notification thereof results in the death of the person disabled, notice in writing of the death shall be sent to the inspector as soon as the death comes to the knowledge of the occupier of the factory or workshop.

(3) If any notice with respect to an accident in a factory or workshop required to be sent by this section is not sent as so required, the occupier of the factory or workshop shall be liable to a fine not exceeding ten pounds.

(4) If any accident to which this section applies occurs to a person employed in a factory or workshop the occupier of which is not the actual employer of the person killed or injured, the actual employer shall immediately report the same to the occupier, and in default shall be liable to a fine not exceeding five pounds.

(5) The foregoing provisions of this section shall be substituted for section nineteen of the Factory and Workshop Act, 1901.

Section 5 empowers the Secretary of State to extend the provisions of the Act as to notice of accidents to dangerous occurrences.

Section 6 qualifies section one, subsection (1) of the Notice of Accidents Act, 1894 (57 and 58 Vict. c. 28).

Section 7 repeals the enactments mentioned in the schedule to the extent therein specified.

The Act came into operation on the 1st January, 1907.

Factory and Workshop Act, 1907.

(7 Edw. VII., c. 39.)

LAUNDRIES.

The Factory and Workshop Act, 1901 (which Act, as amended by any subsequent enactment, including this

Application of 1 Edw. 7. c. 22 to laundries. (Section 1.) Act, is hereinafter referred to as the principal Act), shall, subject to the provisions of this Act, apply to laundries as if at the end of Part II. of the Sixth Schedule to that Act, enumerating non-textile factories and workshops, the following paragraph were added:—

“(29) Laundries carried on by way of trade or for the purpose of gain, or carried on as ancillary to another business or incidentally to the purposes of any public institution.”

(1) In laundries, other than laundries ancillary to a business carried on in any premises which, apart from the provisions of this Act, are a factory or work-

Hours of employment of women and young persons in laundries. (Section 2.) shop—

(a) The period of employment of women may on any three days in the week, other than Saturday, begin at six o'clock in the morning and end at seven o'clock in the evening, or begin at seven o'clock in the morning and end at eight o'clock in

the evening, or begin at eight o'clock in the morning and end at nine o'clock in the evening :

Provided that a corresponding reduction is made in the periods of employment on other days of the week, so that the total number of hours of the periods of employment of women, including the intervals allowed for meals, shall not exceed sixty-eight in any one week ;

(b) Where the occupier of a laundry so elects, the following provisions shall apply to the laundry in lieu of the provisions of the last preceding paragraph :—

The period of employment of women may, on not more than four days, other than Saturday, in any one week, and on not more than sixty days in any calendar year, begin at six o'clock in the morning and end at seven o'clock in the evening, or begin at seven o'clock in the morning and end at eight o'clock in the evening, or begin at eight o'clock in the morning and end at nine o'clock in the evening ;

(c) Different periods of employment may be fixed for different days of the week.

(2) The foregoing provisions of this section shall be deemed to be special exceptions within the meaning of section sixty of the principal Act, but it shall not be lawful for the occupier of a laundry to change from the system of employment under the above paragraph (a) to the system of employment under the above paragraph (b), or *vice versa*, oftener than once a year. The entry required to be made in the prescribed register by subsection four of the said section sixty as so applied shall, in the case of overtime employment under paragraph (b), be made before the commencement of the overtime employment on each day on which it is intended that there should be such employment, and, in reckoning the sixty days for the purposes of paragraph (b), every day

on which any woman had been employed overtime shall be taken into account.

(3) Subject as aforesaid, the provisions of the principal Act as to hours of employment shall apply to laundries.

In every laundry—

Special regulations to be complied with in laundries.
(Section 3.)

- (a) If mechanical power is used, a fan or other efficient means shall be provided, maintained, and used for regulating the temperature in every ironing room, and for carrying away the steam in every wash-house ;
- (b) All stoves for heating irons must be sufficiently separated from any ironing room or ironing table and gas irons emitting any noxious fumes must not be used ; and
- (c) The floors must be kept in good condition and drained in such a manner as will allow the water to flow off freely.

A laundry in which there is a contravention of any of these provisions shall be deemed to be a factory or workshop not kept in conformity with the principal Act.

Application of provisions as to domestic workshops.
(Section 4.)

Subsection (2) of section one hundred and fourteen of the principal Act (which provides that certain domestic workshops are not to be deemed workshops within the meaning of that Act) shall apply to laundries as if for the words "the altering, repairing, ornamenting, or finishing of any article" there were substituted the words "the altering, repairing, ornamenting, washing, cleaning, or finishing of any article."

INSTITUTIONS.

(1) Where in any premises forming part of an institution carried on for charitable or reformatory purposes, and not

**Application
of Factory
and Workshop
Acts to certain
institutions.
(Section 5.)**

being premises subject to inspection by or under the authority of any Government Department, any manual labour is exercised in or incidentally to the making, altering, repairing, ornamenting, finishing, washing, cleaning, or adapting for sale, of articles not intended for the use of the institution, the provisions of the principal Act shall, subject to the provisions of this Act, apply to those premises notwithstanding that the work carried on therein is not carried on by way of trade or for the purposes of gain, or that the persons working therein are not working under a contract of service or apprenticeship.

(2) If in any institution to which this section applies the persons having the control of the institution (hereinafter referred to as the managers) satisfy the Secretary of State that the only persons working therein are persons who are inmates of and supported by the institution, or persons engaged in the supervision of the work or the management of machinery, and that such work as aforesaid is carried on in good faith for the purposes of the support, education, training, or reformation of persons engaged in it, the Secretary of State may by order direct that so long as the order is in force the principal Act shall apply to the institution subject to the following modifications :—

(a) The managers may submit for the approval of the Secretary of State a scheme for the regulation of the hours of employment, intervals for meals, and holidays of the workers, and of the education of children, and, if the Secretary of State is satisfied that the provisions of the scheme are not less favourable than the corresponding provisions of the principal Act, the Secretary of State may approve the scheme, and upon the scheme being so approved the principal Act shall, until the approval is revoked, apply as if the provisions of

the scheme were substituted for the corresponding provisions of the principal Act; any scheme when so approved shall be laid as soon as possible before both Houses of Parliament, and if either House, within the next forty days after such scheme has been laid before that House, resolve that the scheme ought to be annulled, the scheme shall, after the date of the resolution, be of no effect without prejudice to the validity of anything done in the meantime thereunder, or to the making of any new scheme;

- (b) The medical officer of the institution (if any) may, on the application of the managers, be appointed by the chief inspector of factories to be the certifying surgeon for the institution;
- (c) The provisions of section one hundred and twenty-eight of the principal Act as to the affixing of an abstract of the principal Act and of notices shall not apply, but amongst the particulars required to be shown in the general register there shall be included the prescribed particulars of the scheme, or where no scheme is in force the prescribed particulars as to hours of employment, intervals for meals, and holidays, and education of children, and other matters dealt with in the principal Act;
- (d) In the case of premises forming part of an institution carried on for reformatory purposes, if the managers of the institution so give notice to the chief inspector of factories, an inspector shall not, without the consent of the managers or of the person having charge of the institution under the managers, examine an inmate of the institution save in the presence of one of the managers or of such person as aforesaid:

Provided that the Secretary of State, on being

satisfied that there is reason to believe that a contravention of the principal Act is taking place in any such institution, may suspend the operation of this provision as respects that institution to such extent as he may consider necessary ;

- (e) The managers shall not later than the fifteenth day of January in each year send to the Secretary of State a correct return in the prescribed form, specifying the names of the managers and the name of the person (if any) having charge of the institution under the managers, and such particulars as to the number, age, sex, and employment of the inmates and other persons employed in the work carried on in the institution as the Secretary of State may require, and shall, if any requirement of this paragraph is not complied with, be liable to a fine not exceeding five pounds.

SUPPLEMENTAL.

Where in any premises which are subject to inspection by or under the authority of any Government department any manual labour is exercised otherwise than for the purposes of instruction, in or incidental to the making, altering, repairing, ornamenting, finishing, washing, cleaning, or adapting for sale, of any article, and the premises do not constitute a factory or workshop by reason that the work carried on therein is not carried on by way of trade or for the purposes of gain, or by reason that the persons employed in the work are not working under a contract of service or apprenticeship, the Secretary of State may arrange with the department that the premises shall, as respects the matters dealt with by the principal Act, be inspected by an inspector appointed,

**Inspection
of certain
premises.
(Section 6.)**

under that Act, and where such an arrangement is made, inspectors appointed under the principal Act shall have, as respects such matters as aforesaid, the like right of entry and inspection as is conferred on inspectors of the department concerned.

- (1) This Act may be cited as the Factory and Workshop Act, 1907, and shall be construed as one with
Short title, the Factory and Workshop Act, 1901, and
construction, the Factory and Workshop Act, 1901, and
commencement, the Factory and Workshop Act, 1901, and
and repeal. this Act may be cited together as the Factory
(Section 7.) and Workshop Acts, 1901 and 1907.
- (2) This Act came into operation on the first day of January one thousand nine hundred and eight.
- (3) Section one hundred and three of the Factory and Workshop Act, 1901, is hereby repealed.
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CHAPTER XXXVI.

The Workmen's Compensation Act, 1906.

(6 Edw. VII., c. 58.)

This Act which came into operation on the 1st July, 1907, repeals the Workmen's Compensation Acts of 1897 and 1900. It is, therefore, not necessary in this place to show in what respects the Act differs from its predecessors. What is chiefly of importance is to understand how, when and under what conditions the Act is applicable.

As it is of so far-reaching a character, the simplest course will perhaps be to consider the classes of cases to which it will not apply.

Speaking briefly and in general terms, the Act will not apply in the following cases nor to the persons mentioned, *viz.* :—

- (1) Where the workman is not disabled for a period of at least one week from earning full wages at the work at which he was employed.
- (2) Where the injury is attributable to the serious and wilful misconduct of the workman, unless the injury results in death or serious and permanent disablement.
- (3) If a scheme for contracting out of the Act has been certified under the Act by the Registrar of Friendly Societies, and such scheme remains in force.
- (4) To persons in the naval or military service of the Crown.
- (5) To persons employed otherwise than by way of manual labour whose remuneration exceeds £250 per annum.

- (6) To persons whose employment is of a casual nature and who are employed otherwise than for the purposes of the employer's trade or business.
- (7) To members of a police force.
- (8) To outworkers.
- (9) To members of the employer's family residing in his house; and
- (10) To a contract (other than a contract substituting the provisions of a scheme certified under the Workmen's Compensation Act, 1897, for the provisions of that Act) existing at the commencement of the Act, whereby a workman relinquishes his right to compensation, and which contract has not been determined as provided by the Act.

In all other cases in which personal injury, by accident arising out of and in the course of the employment, is caused to the workman, the employer, it is apprehended, will be liable to pay compensation under the Act.

It may be pointed out here that the Act applies to certain industrial diseases mentioned in the third schedule, or other diseases specified in Orders made by the Secretary of State, in case (a) the certifying surgeon under the Factory and Workshop Act, 1901, certifies that the workman is suffering from such a disease, and is thereby disabled from earning full wages at the work at which he was employed; or (b) a workman is, in pursuance of any special rules or regulations made under the Factory and Workshop Act, 1901, suspended from his usual employment on account of having contracted any such disease; or (c) the death of a workman is caused by any such disease, and the disease is due to the nature of any employment in which he was employed at any time within 12 months previous to the date of the disablement or suspension. This provision is subject to the modifications and conditions set forth in section 8 of the Act.

Although the Act repeals the former Workmen's Com-

pension Acts, the legal decisions given under those Acts will, it is supposed, still be applicable so far as they are consistent with the provisions of the Act, and more particularly with regard to the interpretation of the word "accident" (which the Legislature has not yet defined in connection with the Compensation Acts) and of the words "arising out of and in the course of the employment."

In order to obtain a clear and accurate knowledge of the provisions of the Act, it is necessary to study its sections in detail.

The personal injury in respect of which compensation is claimed must be caused by accident arising out of and in the course of the employment; moreover, the workman must have been disabled for a period of at least one week from earning full wages at the work at which he was employed.

Liability of Employers to Workmen for Injuries. (Section 1.) The employer shall not be liable to any proceedings independently of the Act, except in cases of personal negligence or wilful act on his part.

If the injury is proved to be attributable to the serious and wilful misconduct of the workman, he shall not be entitled to claim compensation "unless the injury results in death or serious and permanent disablement."

Questions arising under the Act (including the question whether the person injured is a person to whom the Act applies), if not settled by agreement, shall, subject to the provisions of the first schedule, be settled by arbitration in accordance with the second schedule.

Time for Taking Proceedings. (Section 2.) The workman cannot obtain compensation unless notice of the accident has been given as soon as practicable after the happening of the accident, and before he has voluntarily left the employment in which he was injured, and unless the claim for compensation has been made within six months from the occurrence of the accident, or, in the case of death,

within six months from the time of death. The want of or any inaccuracy in such notice shall not be a bar to the maintenance of proceedings if it is found that the employer is not, or would not if a notice or amended notice were then given and the hearing postponed, be prejudiced in his defence thereby, or that the want, defect or inaccuracy was occasioned by mistake, absence from the United Kingdom, or other reasonable cause.

This section states what particulars the notice must contain and how it may be served upon an individual employer or a body of persons, corporate or unincorporate.

A scheme of compensation, benefit or insurance may, whilst the certificate is in force, be substituted for the provisions of the Act, provided that the Registrar

Contracting Out.
(Section 3.) of Friendly Societies (after taking steps to ascertain the views of the employer and workmen) certifies that such scheme provides scales of compensation not less favourable to the workmen and their dependants than the corresponding scales in the Act, and that, where the scheme provides for contributions by the workmen, the scheme comprises benefits equivalent to those contributions in addition to the benefits to which the workmen would have been entitled under the Act, and that a majority (to be ascertained by ballot) of the workmen to whom the scheme is applicable are in favour of the scheme.

The Registrar may give a certificate for a limited period of not less than five years, and may from time to time renew such certificate, with or without modifications. No scheme shall be certified which contains an obligation upon the workmen to join the scheme as a condition of their hiring, or which does not contain provisions enabling a workman to withdraw from the scheme.

The Registrar shall revoke the certificate if he finds upon examination of certain stipulated grounds of complaint that good cause exists for such complaint, unless the cause of complaint is removed.

If a person (referred to in this section as the principal) in the course of or for the purposes of his trade or business contracts with any other person (referred to as the contractor) for the execution of any work undertaken by the principal, the latter shall be liable to pay to any workman employed in the execution of the work any compensation under the Act which he would have been liable to pay if the workman had been immediately employed by him.

Where, however, the contract relates to threshing, ploughing or other agricultural work, and the contractor uses machinery driven by mechanical power for the purpose of such work, the contractor alone shall be liable to pay compensation.

The principal, if liable to pay compensation under this section, shall be entitled to be indemnified by any person who would have been liable to pay compensation to the workman independently of this section. A workman is not prevented from recovering compensation from the contractor instead of the principal. This section will not apply to any case where the accident occurred elsewhere than on, or in, or about premises on which the principal has undertaken to execute the work, or which are otherwise under his control or management.

This section deals with the case of an employer who has entered into a contract with insurers in respect of any liability

Provision as to Cases of Bankruptcy of Employer. (Section 5.) to workmen under the Act becoming bankrupt or making a composition or arrangement with his creditors ; or, if the employer is a company, in the event of the company having commenced to be wound up ; and provides that the rights of the employer against the insurers as respects that liability shall be transferred to and vest in the workman, and upon such transfer the insurers shall have the same rights and remedies and be subject to the same liabilities as if they were

the employer. In the event of the liability of the insurers being less than that of the employer to the workman, the latter can prove for the balance in the bankruptcy or liquidation.

This section does not apply where the company is wound up voluntarily merely for the purpose of reconstruction or of amalgamation with another company.

If the injury for which compensation is payable under the Act was caused under circumstances creating a legal

liability in some person other than the employer

Remedies both against Employer and Stranger.
(Section 6.) to pay damages, the workman may take proceedings against both employer and such other person, but shall not recover both damages and compensation. The person paying compensation under the Act is entitled to be indemnified by the person liable to pay damages.

The Act shall apply to masters, seamen and apprentices, both on sea and sea-fishing service, provided that such

Application of Act to Seamen.
(Section 7.) persons are workmen within the meaning of the Act, and are members of the crew of any ship registered in the United Kingdom, or of any other British ship or vessel of which the owner or manager resides or has his principal place of business in the United Kingdom, subject to the modifications enumerated in sub-sections (a) to (g) inclusive.

The Act will not apply to such members of the crew of a fishing vessel as are remunerated by shares in the profits or the gross earnings of the working of such vessel.

The effect of this section has already been referred to. The modifications marked (a) to (f) in the first sub-section

Application of Act to Certain Industrial Diseases.
(Section 8.) should be carefully noted, and sub-sections 2, 4, 6, 7 and 8, and the third schedule to the Act should be studied in order to obtain a clear conception of this new and most important extension of statute law.

Application to Workmen in Employment of the Crown. (Section 9.) The Act will not apply to persons in the naval or military service of the Crown, but otherwise it will apply to workmen employed by or under the Crown to whom the Act would apply if the employer were a private person.

Deals with the appointment and remuneration of medical referees and arbitrators. (Section 10.)

Under this section the Judge of any Court of Record in England or Ireland may, under the circumstances specified,

Destination of Ships. (Section 11.) make an order directed to any officer of customs or other person named by the judge requiring him to detain the ship until such time as the owner, agent, master or consignee thereof have paid compensation or have given security to abide the event of any proceedings that may be instituted (to recover such compensation) to pay such compensation and costs as may be awarded.

The Secretary of State shall require every employer to whom this section is directed to apply to furnish each year a correct return specifying the number of injuries

Returns as to Compensation. (Section 12.) in respect of which compensation has been paid under the Act by such employer during the previous year and the amount of such compensation, together with such particulars as the Secretary of State may direct. The maximum penalty for default is £5, on conviction under the Summary Jurisdiction Acts.

Definitions. (Section 13.) “Employer” includes any body of persons corporate or unincorporate and the legal personal representative of a deceased employer, and where the services of a workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, the latter shall be deemed to continue to be the employer of the workman whilst he is working for that other person.

“Workman” does not include any person employed,

otherwise than by way of manual labour, whose remuneration exceeds £250 a year, or a person whose employment is of a casual nature and who is employed otherwise than for the purposes of the employer's trade or business, or a member of a police force, or an outworker (afterwards defined), or a member of the employer's family dwelling in his house ; but, save as aforesaid, means any person who has entered into or works under a contract of service or apprenticeship with an employer, whether by way of manual labour, clerical work, or otherwise, and whether the contract is expressed or implied, is oral or in writing.

Any reference to a workman who has been injured shall, where the workman is dead, include a reference to his legal personal representative or to his dependants or other persons to whom or for whose benefit compensation is payable.

"Dependants" means such of the members of the workman's family as were wholly or in part dependent upon the earnings of the workman at the time of his death, or would, but for the incapacity due to the accident, have been so dependent, and where the workman, being the parent or grandparent of an illegitimate child, leaves such a child so dependent upon his earnings, or, being an illegitimate child, leaves a parent or grandparent so dependent upon his earnings, shall include such an illegitimate child and parent or grandparent respectively.

"Member of a family" means wife or husband, father, mother, grandfather, grandmother, step-father, step-mother, son, daughter, grandson, granddaughter, step-son, step-daughter, brother, sister, half-brother, half-sister.

"Ship," "vessel," "seaman" and "port" have the same meanings as in the Merchant Shipping Act, 1894.

"Manager," in relation to a ship, means the ship's husband or other person to whom the management of the ship is entrusted by or on behalf of the owner.

"Police force" means a police force to which the Police

Act, 1890, or the Police (Scotland) Act, 1890, applies, the City of London Police Force, the Royal Irish Constabulary, and the Dublin Metropolitan Police Force.

"Outworker" means a person to whom articles or materials are given out to be made up, cleaned, washed, altered, ornamented, finished, or repaired, or adapted for sale in his own house or upon other premises not under the control or management of the person who gave out the materials or articles.

"County Court," "Judge of the County Court," "Registrar of the County Court," "plaintiff" and "rules of Court," as respects Scotland, mean respectively sheriff court, sheriff, sheriff clerk, pursuer, and act of sederunt.

In Scotland, where a workman raises an action against his employer, independently of the Act, in respect of any

injury caused by accident arising out of and in
Special Provisions as to Scotland. (Section 14.) the course of the employment, the action, if raised in the sheriff court and concluding for damages under the Employers' Liability Act, 1880, or alternatively at common law or under

the Employers' Liability Act, 1880, shall, notwithstanding anything contained in that Act, not be removed under that Act or otherwise to the Court of Session, nor shall it be appealed to that court otherwise than by appeal on a question of law; and for the purposes of such appeal the provisions of the second schedule to the Act in regard to an appeal from the decision of the sheriff on any question of law determined by him as arbitrator under the Act shall apply.

Any contract (other than one substituting a certified scheme under the Workmen's Compensation Act, 1897, for the provisions of that Act) existing at the commencement of the Act, whereby a workman relinquishes any right to compensation from the employer for personal injury arising out of and in the course of his employment, shall not, for

Provisions as to Existing Contracts with Schemes. (Section 15.)

the purposes of the Act, be deemed to continue after the time at which the workman's contract of service would determine if notice of the determination thereof were given at the commencement of the Act.

Every scheme under the Workmen's Compensation Act of 1897, in force at the commencement of the Act, shall if recertified have effect as if it were a scheme under the Act. Any such scheme which has not been recertified before the expiration of six months from the commencement of the Act shall be revoked.

Commencement of and Repeal. As already stated the Act came into force on the first day of July, 1907, and the Workmen's Compensation Acts of 1897 and 1900 (Sections 16 and 17.) ceased to apply as from that date.

The Act may be cited as the Workmen's Compensation Act, 1906.

FIRST SCHEDULE.

The amount of compensation under the Act shall be—

- (a) Where death results from the injury.
 - (i) If the workman leaves dependants who are wholly dependent upon his earnings, a sum equal to his earnings in the employment of the same employer during the three years next preceding the injury, or the sum of £150, whichever of those sums is the larger, but not exceeding in any case £300. Any weekly payments made under the Act and any lump sum paid in redemption thereof are to be deducted from such sum. If, however, the period of employment by the said employer has been less than the said three years, the amount of his earnings during the said three years shall be deemed to be 15^b times his average

**First Schedule.
Scale and
Conditions of
Compensation.**

weekly earnings during the period of his actual employment under the said employer.

- (2) If the workman leaves persons who are only partially dependent upon his earnings, such sum, not exceeding the amount payable under the foregoing provisions, as may be agreed upon, or, in default of agreement, may be determined on arbitration to be reasonable and proportionate to the injury to the said dependants.
 - (3) If the workman leaves no dependants, the reasonable expenses of his medical attendance and burial, not exceeding £10.
- (b) Where total or partial incapacity for work results from the injury, a weekly payment during the incapacity not exceeding 50 per cent of his average weekly earnings during the previous 12 months, if he has been so long employed, but if not, then for any less period during which he has been in the employment of the same employer, such weekly payment not to exceed £1.

Provided that—

- (a) If the incapacity lasts less than two weeks, no compensation shall be payable in respect of the first week; and
- (b) As respects the weekly payments during total incapacity of a workman who is under 21 years of age at the date of the injury, and whose average weekly earnings are less than 20s., 100 per cent shall be substituted for 50 per cent of his average weekly earnings, but the weekly payment shall in no case exceed 10s.

Here follow certain rules relating to "earnings" and "average weekly earnings" of a workman.

In fixing the amount of the weekly payment, regard shall be had to any payment, allowance or benefit which the

workman may receive from the employer during the period of his incapacity, and, in the case of partial incapacity, the weekly payment shall in no case exceed the difference between the amount of the average weekly earnings of the workman before the accident and the average weekly amount which he is earning or is able to earn in some suitable employment or business after the accident, but shall bear such relation to the amount of that difference as under the circumstances of the case may appear proper.

Where a workman has given notice of an accident, he shall, if required by the employer, submit himself for examination by a duly qualified medical practitioner, provided and paid by the employer; and if he refuses to do so, or in any way obstructs such examination, the right to compensation and to take or prosecute any proceeding under the Act in relation to compensation shall be suspended until such examination has taken place.

Payment in the case of death shall, unless otherwise ordered, be paid into the County Court, except that (if so agreed), if the workman leaves no dependants, the payment shall be made to his legal personal representative, or if there be none such, to the person to whom the expenses of medical attendance and burial are due.

A workman receiving weekly payments under the Act shall, if so required by the employer, submit himself from time to time for examination by a duly qualified medical practitioner, provided and paid by the employer. If the workman refuses to do this, or in any way obstructs the same, his right to such weekly payments shall be suspended until the examination has taken place.

Any weekly payment may be reviewed at the request either of the employer or of the workman, and on such review may be ended, diminished or increased, subject to the maximum above provided, and the amount of payment

shall, in default of agreement, be settled by arbitration under the Act.

Here follows a provision in case the workman is under twenty-one years of age at the time of the accident and the review takes place more than twelve months after the accident.

Where any weekly payment has been continued for not less than six months, the liability may be redeemed by the employer on the payment of a lump sum where the incapacity is permanent, and in any other case may be settled by arbitration. An agreement can be entered into for the redemption of a weekly payment by a lump sum.

A weekly payment, or a sum paid by way of redemption, shall not be capable of being assigned, charged or attached, and shall not pass to any other person by operation of law, nor shall any claim be set off against the same,

SECOND SCHEDULE.

This schedule, which states that the Arbitration Act, 1889, shall not apply, lays down elaborate provisions as to **Arbitration.** how matters may be settled by arbitration under the Act. The procedure directed here should be studied by all workmen having claims under the Act which are not capable of being settled otherwise than by arbitration.

THIRD SCHEDULE.

Sets forth the description of the industrial disease referred to in section 8 of the Act, and the nature of the process in which such disease may have been contracted, as follows :—

Description of Disease.	Description of Process.
Anthrax	Handling of wool, hair, bristles, hides and skins.
Lead poisoning or its sequelæ.	Any process involving the use of lead or its preparations or compounds.
Mercury poisoning or its sequelæ.	Any process involving the use of mercury or its preparations or compounds.
Phosphorus poisoning or its sequelæ.	Any process involving the use of phosphorus or its preparations or compound.
Arsenic poisoning or its sequelæ.	Any process involving the use of arsenic or its preparations or compounds.
Ankylostomiasis	Mining.

CHAPTER XXXVII.

Shops Act, 1912.

This Act came into operation May 1st, 1912. The Shops Regulation Acts, 1892 to 1911, are hereby repealed, provided that any closing order made under the Shop Hours Act, 1904, which is in force at the commencement of this Act, shall continue in force until revoked in accordance with the provisions of this Act, except in so far as it fixes a closing hour earlier than seven o'clock for any shop to which the provisions of this Act with respect to the weekly half-holiday apply.

i.—(1) On at least one week-day in each week a shop assistant shall not be employed about the business of a shop after half-past one o'clock in the afternoon, provided that this provision shall not apply to the week preceding a Bank Holiday if the shop assistant is not employed on a Bank Holiday, and if on one week-day in the following week in addition to the Bank Holiday the employment of the shop assistant ceases not later than half-past one o'clock in the afternoon.

Conditions of Employment, &c. (Section 1.)

(2) The occupier of a shop shall specify in a notice, which must be affixed in the shop, the day of the week on which his shop assistants are not employed after 1-30, and may fix different days for different shop assistants.

(3) Intervals for meals shall be in accordance with the first schedule to this Act. No person shall be employed for more than six hours without an interval of at least twenty

minutes being allowed during the course thereof, and without prejudice to the foregoing provision—

- (1) Where the hours of employment include the hours from 11-30 a.m. to 2-30 p.m., an interval of not less than three-quarters of an hour shall be allowed between those hours for dinner ; and
- (2) Where the hours include from 4 p.m. to 7 p.m., an interval of not less than half an hour shall be allowed between those hours for tea ; and the interval for dinner shall be increased to one hour in cases where that meal is not taken in the shop, or in a building of which the shop forms part or to which the shop is attached ; provided that an assistant employed in the sale of refreshments by retail or of intoxicating liquors need not be allowed the dinner interval as stated if he is allowed the same interval not to end earlier than 11-30 a.m. or to commence later than 2-30 p.m. The same exemption shall apply to assistants employed in any shop on a market day, not oftener than once a week, or on an annual fair day. This provision shall not apply if the only persons employed as shop assistants are members of the family of the occupier, maintained by him and dwelling in his house.
- (4) Contravention of or failure to comply shall incur liability to a fine not exceeding—(a) first offence, £1 ; second, £5 ; and a third or subsequent offence. £10 ; unless the occupier proves that the shop assistant was merely serving a customer whom he was serving at 1-30 p.m., or serving those who may have been in at that time.

2.—(1) No person under the age of 18 shall be employed in or about a shop for a longer period than 7½ hours, including meal times, in any one week.

(2) No young person shall be employed in or about a shop—

Hours of Employment of Young Persons.
(Section 2).

(a) Having been previously on the same day employed in any factory or workshop, as defined by the Factory and Workshop Act, 1901, for the number of hours permitted by that Act ; or

(b) For any longer period than will, together, complete such number of hours as aforesaid.

(3) A notice shall be exhibited in every shop, in a conspicuous place, stating the number of hours in a week during which a young person may be lawfully employed in or about the shop.

(4) Contravention of these provisions regarding employment shall entail liability to a fine not exceeding £1, or £1 for each young person so employed, and failure to comply with the provisions respecting notice a fine not exceeding 40s. may be imposed.

(5) This section shall apply to wholesale shops and warehouses. Sections 13 and 14 shall be construed accordingly.

(6) This section shall not apply to any person wholly employed as a domestic servant.

3.—(1) In all rooms of a shop where female shop assistants are in the habit of serving customers, the occupier of the shop shall provide seats behind the counter, or in such other position as may be suitable for the purpose, and such seats shall be in the proportion of not less than one seat to every three female shop assistants employed in each room.

(2) Penalty for non-compliance—First offence, £3 ; second or subsequent offence, £5.

4.—(1) Every shop shall, save as otherwise provided by this Act, be closed for the serving of customers not later than one o'clock in the afternoon on one week day in every week.

Closing of Shops on Weekly Half-Holiday. (Section 4). (2) The local authority may, by order, fix the day on which a shop is to be closed (weekly

half holiday), and any such order may either fix the same day for all shops, or may fix—

- (a) Different days for different classes of shops ; or
- (b) Different days for different parts of the district ; or
- (c) Different days for different periods of the year ; provided that (i.) where the day fixed is a day other than Saturday, the order shall provide for enabling Saturday to be substituted for such other day ; and (ii.) where the day fixed is Saturday, the order shall provide for some other day to be substituted ;

as respects any shop in which notice to that effect is affixed by the occupier, and that no such order shall be made unless the local authority, after making such inquiry as may be prescribed, are satisfied that the occupiers of a majority of each of the several classes of shops affected approve the order.

(3) Where such an order is not made, the occupier may specify in a notice affixed in the shop the day selected by him, but he shall not change the day oftener than once in any period of three months.

(4) The local authority shall have power to ascertain the wishes of the occupiers of shops where they have reason to believe that a majority are in favour of exemption either wholly or by fixing as the closing hour at some other hour not later than two o'clock, and if they are satisfied, or in case of a vote being taken, that at least one half of the votes recorded are in favour of the exemption, the local authority shall make an order exempting the shops of that class within the area from the provisions of this section, either partly or wholly as aforesaid.

(5) Where a shop is closed during the whole day on the occasion of a Bank Holiday, and that day is not the day fixed for the weekly half holiday, it shall be lawful for the occupier of the shop to keep open after the hour at which it is required to be closed, either on the half holiday immediately preceding or on the half holiday immediately succeeding the Bank Holiday.

(6) This section shall not apply to any shop in which the only trade or business carried on is mentioned in the second schedule ; but the local authority may, by order, hereinafter provided with respect to closing orders, extend the provisions of this section to shops of any class exempted under this provision, if satisfied that the occupiers of at least two-thirds of that class approve the order.

Trades and businesses exempted from the provisions as to weekly half-holiday :—The sale by retail of intoxicating

Second Schedule. liquors ; the sale of refreshments, including a railway refreshment room ; the sale of motor, (Section 4). cycle, and air-craft supplies and accessories to travellers ; the sale of newspapers and periodicals ; the sale of meat, fish, milk, cream, bread, confectionery, fruit, vegetables, flowers, and other articles of a perishable nature ; the sale of tobacco and smokers' requisites ; the business carried on at a railway bookstall ; the sale of medicines and medical and surgical appliances ; retail trade carried on at an exhibition or show, if the local authority certify that such trade is subsidiary or ancillary only to the main purpose of the exhibition or show.

(7) Non-compliance—first offence, £1 ; second offence, £5 ; third or subsequent offence, £10.

(8) Nothing in this section shall prevent the supplying of victuals, stores, or other necessaries for a ship, on her arrival at or immediately before her departure from a port.

5.—(1) An order (closing order) made by a local authority, and confirmed by the Secretary of State in manner provided

Closing Orders. by this Act, may fix the hours on the several (Section 5). days of the week at which, either throughout the area of the local authority, or part thereof, all shops or specified class of shops are to be closed for serving customers.

(2) The hour shall not be earlier than 7 p.m. on any day of the week.

(3) The order may (a) define the shops and trades to which it applies, and (b) authorise sales after the closing hour in cases of emergency, and (c) contain any incidental or other provisions which may appear necessary.

(4) Any shop in which the only trade or business carried on is the trade or business of any of the classes mentioned in the third schedule is exempt from these provisions.

Contravention of these provisions render a person liable to—(a) first offence, £1; (b) second offence, £5; and (c) third or subsequent offence, £20; provided that nothing in the order shall render a person liable for serving a customer who was in the shop before the closing hour.

6.—(1) Whenever a local authority are satisfied that a *prima facie* case is made out for making a closing order, the **Procedure of Making Orders.** authority shall give public notice of their intention to make an order, specifying the (Section 6). period within which objections may be made, and if after taking into consideration those objections they are satisfied that it is expedient to make the order, and that the occupiers of at least two-thirds in number of the shops to be affected by the order approve the order, they may make the order.

(2) Copies of the order shall be submitted to the Secretary of State, who shall consider any objections, and who may disallow, confirm, or amend the order.

(3) The confirmation of the Secretary of State shall be final, and have the effect of an Act of Parliament.

The closing order shall then be laid before each House of Parliament, and, if an address is presented to His Majesty by either House within the next 40 days on which that House has sat praying that the order may be cancelled, His Majesty in Council may annul the order, but without prejudice to any subsequent proceedings under the order, or the power of making a new closing order.

7.—Section 7 outlines a scheme by which local authorities, or a joint representation from a substantial number of occupiers of shops, may appeal to the Secretary (Section 7) of State for a closing order, and who will institute inquiries locally.

8.—The Secretary of State may, at any time, on the application of a local authority, revoke a closing order, either absolutely or in part, providing it may appear to the satisfaction of the local authority (Section 8). that a majority of the occupiers of any class of shops are in favour of the discontinuance of the order.

9.—It shall not be lawful in any locality to carry on in any place not being a shop any business at any time when it would be unlawful in that locality to keep a shop open for the purpose of retail trade of that class. In any contravention of this section, the same penalties shall apply as above stated, provided that (a) the prohibition imposed by this section shall, as respects any day other than the weekly half-holiday, be subject to such exemptions and conditions as may be contained in closing orders; and (b) nothing shall prevent a barber or hairdresser from attending a customer at his residence, or the holding of an auction sale of private effects in a private dwelling house: and, (c) nothing in this section shall apply to the sale of newspapers.

10.—(1) Where several trades are carried on in the same shop, and any of those trades is of such a nature that, if it were

Provisions as respects Shops where more than one Business is Carried on. the only trade carried on in the shop, the shop would be exempt from the obligation to be closed on the weekly half-holiday, the exemption shall apply to the shop so far as the carrying on of that trade or business is concerned, subject to such conditions as may be prescribed.

(2) The same conditions apply in regard to closing hours.

(3) The local authority may require the occupier of a

shop to determine his principal trade or business for the purpose of determining a majority under this Act.

11.—(1) During certain seasons of the year, the local authority may by order suspend, for such periods not exceeding in the aggregate four months in any year the obligation to close on the weekly half-holiday.

Special Provisions as to Holiday Resorts. (Section 11.) **(2)** Where the occupier of any shop in which any such order of suspension is in force satisfies the local authority that it is the practice to allow all his shop assistants a holiday on full pay of not less than two weeks in every year, and keeps affixed in his shop a notice to that effect, the requirement that on one day in each week a shop assistant shall not be employed after 1-30 p.m. shall not apply to the shop during such period or periods as aforesaid.

Section 12 enumerates the conditions applicable to the post-office business, which are subject to the approval of the Postmaster-General.

Section 13 relates to the appointment of inspectors, and specifies the powers and duties of local authorities.

Section 14 contains provisions with respect to offences; 15, expenses of Secretary of State; 16, local inquiries; 17, regulations by the Secretary of State; 18, proof and revocation of orders.

(1) The expression "shop" includes any premises where any retail trade or business is carried on.

Definitions. (Section 19.) "Retail trade or business" includes the business of a barber or hairdresser, the sale of refreshments or intoxicants, and retail sales by auction, but does not include the sale of programmes and catalogues and other similar sales at theatres and places of amusement.

"Shop assistant" means any person wholly or mainly employed in connection with the serving of customers or the receipt of orders or the despatch of goods.

"Bank Holiday" includes any public holiday, or day of public rejoicing or mourning.

"Week" means the period between midnight on Saturday and midnight on the succeeding Saturday.

(2) Nothing in this Act shall apply to any fair lawfully held, or any bazaar or sale of work for charitable or other purposes from which no private profit is derived.

This Act shall apply to Scotland, subject to administrative modifications.

Application to Scotland. (Section 20). The Secretary for Scotland shall be substituted for the Secretary of State.

This Act shall apply to Ireland, subject to the following modifications, among others:—

Application to Ireland. (Section 21) (1) The Lord-lieutenant shall be substituted for the Secretary of State.

(2) The "local authority" means the council of the borough, or the district council, or the town commissioners.

For other special provisions, see also the fourth schedule. Parts I. and II., and the fifth schedule.

CHAPTER XXXVIII.

The Employment of Children Act.**The Employment of Children Act, 1903.**

(3 Edw. VII., c. 45.)

Any local authority may make bye-laws—

(1) Prescribing for all children, or for boys and girls separately, and with respect to all occupations, or to any specified occupation—

- (a) The age below which employment is illegal ; and
- (b) The hours between which employment is illegal ; and
- (c) The number of daily and weekly hours beyond which employment is illegal.

(2) Prohibiting absolutely, or permitting, subject to conditions, the employment of children in any specified occupation.

Any local authority may make bye-laws with respect to street trading by persons under the age of 16, and may, by such bye-laws—

Power to make Bye-Laws for the Regulation of Street Trading by Persons under Sixteen (Section 2).

- (a) Prohibit such street trading, except subject to such conditions as to age, sex, or otherwise, as may be specified in the bye-laws, or subject to the holding of a licence to trade to be granted by the local authority ;

- (b) Regulate the conditions on which such license may be granted, suspended, or worked ;
- (c) Determine the days and hours during which, and the

places at which, such street trading may be carried on;

- (d) Require such street traders to wear badges;
- (e) Regulate generally the conduct of such street traders.

Provided that—

- (1) The grant of a license or the right to trade shall not be made subject to any conditions having reference to the poverty or general bad character of the person applying for a license or claiming to trade;
- (2) The local authority, in making such bye-laws, shall have special regard to the desirability of preventing the employment of girls under 16 in streets or public places.

(1) A child shall not be employed between the hours of 9 p.m. and 6 a.m., but a local authority may by bye-laws vary these hours, either generally or for any specified occupation.

General Instructions on Employment of Children (Section 3). (2) A child under the age of 11 shall not be employed in street trading.

Children (Section 3). (3) No child who is employed half-time under the Factory and Workshop Act, 1901, shall be employed in any other occupation.

(4) A child shall not be employed to lift, carry, or move anything so heavy as to be likely to cause injury to the child.

(5) A child shall not be employed in any occupation likely to be injurious to his life, limb, health, or education, regard being had to his physical condition.

(6) If the local authority send to the employer of any child a duly signed medical certificate that the lifting, carrying, or moving of any specified weight is likely to cause injury to the child, or that any specified occupation is likely to be injurious to the life, limb, health, or education of the child, the certificate shall be admissible as evidence in any subsequent proceedings against the employer in respect of the employment of the child.

General Provisions as to Bye-Laws (Section 4). A bye-law must be confirmed by the Secretary of State before it can have effect, and shall not be so confirmed until it has been published for 30 days by the local authority in such manner as the Secretary of State directs.

Bye-laws may apply either to the whole of the area of the local authority, or to any specified part thereof.

Bye-laws made by a county council shall not be of any force within any borough or urban district the council of which is constituted a local authority under the Act.

(1) If any person employs a child or other person under the age of 16, in contravention of the Act, or of any bye-law under the Act, he shall be liable, on summary conviction, to a fine of 40s., or in case of a subsequent offence, £5.

(2) If any parent or guardian of a child or other person under the age of 16 has conduced to the commission of the alleged offence by wilful default, or by habitually neglecting to exercise due care, he shall be liable, on summary conviction, to the like fine.

(3) If any person under the age of 16 contravenes the provisions of any bye-law as to street trading made under the Act, he shall be liable, on summary conviction, to a fine of 20s., and in the case of a subsequent offence, if a child, to be sent to an industrial school, and if not a child to a fine of £5.

(4) The Court may, however, order the child to be taken out of the charge or control of the person having such charge or control, and to be committed to the charge or control of some fit person until the child reaches the age of 16.

Offences by Agents, Workmen, or Parents (Section 6). Where the offence of taking a child into employment in contravention of the Act is committed by an agent or workman of the employer, such agent or workman shall be liable to a penalty as if he were the employer; and the employer shall be exempt from any fine if he satisfies the Court that he

has used due diligence to comply with the provisions of the Act, and that the offence was committed without his knowledge, consent, or connivance. If a child is taken into employment in contravention of the Act on the production of a false or forged certificate by or with the privity of the parent, or on the false representation as to age by the parent, the latter shall be liable to a penalty of £2.

Limitation of Time (Section 7). Information with respect to summary proceedings must be laid within three months after the commission of the offence.

A justice of the peace may empower an officer of the local authority to enter the place or building in which there is reasonable cause to believe a child is employed (Section 8). in contravention of the Act. Any person obstructing the officer is liable to a penalty of £20.

Employment in Factories (Section 9). Byelaws made under the Act shall not apply to any child above 12 employed in pursuance of the Factory and Workshop Act, 1901, or the Metalliferous Mines Regulation Act, 1872, or the Coal Mines Regulation Act, 1877, so far as regards that employment.

Saving Industrial and other Schools (Section 10). The Act shall not apply to the exercise of manual labour by any child under order of detention in a certified industrial or reformatory school, or by any child while receiving instruction in manual labour in any school.

Section 3 of the Prevention of Cruelty to Children Act, 1894, which regulates the employment of children in public entertainments, shall have effect as if re-enacted in this Act, subject to the proviso—(a) that a license under that section shall not be granted to any child under the age of 10, and (b) that an inspector under this Act shall have the powers of an inspector of factories and workshops under that section.

Expenses of Act. See section 12 as to England and Wales, and section 15 as to Scotland.

The expression "child" means a person under the age of 14 years.

Definitions. (Section 13). The expression "guardian," used in reference to a child, includes any person who is liable to maintain, or has the actual custody of the child.

The expressions "employ" and "employment," used in reference to a child, include employment in any labour exercised by way of trade or for the purposes of gain, whether the gain be to the child or to any other person.

The expression "street trading" includes the hawking of newspapers, matches, flowers, and other articles, playing, singing, or performing for profit, shoe blacking, and any other like occupation carried on in streets or public places.

Application to Scotland. See section 14 *in extenso*.

Application to Ireland. See section 16 *in extenso*.

Children Act, 1908.

(8 Edw. VII., c. 67.)

PART III.—JUVENILE SMOKING.

If any person sells to a person apparently under the age of 16 any cigarettes or cigarette papers, whether for his own use or not, he shall be liable, on summary conviction, to penalties as under:—First offence,

Penalty on Selling Tobacco to Children, &c. (Section 39). not exceeding £2; second offence, not exceeding £5; third or subsequent offence, not exceeding £10.

It shall be the duty of a constable and a park keeper, being in uniform, to seize any cigarettes or cigarette papers

Forfeiture of Tobacco (Section 40). in the possession of any person apparently under the age of 16, whom he finds smoking in any street or public place, and any cigarettes

or cigarette papers so seized shall be disposed of, if seized by a constable, in such manner as the police authority may direct, and if seized by a park keeper, in such manner as the authority or person by whom he was appointed may direct, and such constable or park keeper shall be authorised to search any boy so found smoking, but not a girl.

41.—(1) If on complaint to a court of summary jurisdiction it is proved to the satisfaction of the court that any

Provisions as to Automatic Machines (Section 41) automatic machine for the sale of cigarettes kept on any premises is being extensively used by children or young persons, the court may order the owner of the machine, or the person on whose premises the machine is kept, to take such precautions to prevent the machine being so used as may be specified in the order, or, if necessary, to remove the machine, within such time as may be specified in the order: provided that any person aggrieved by such an order may appeal against it to a court of quarter sessions.

(2) If any person against whom any such order has been made fails to comply with the order, he shall be liable, on summary conviction, to a fine not exceeding £5, and to a further fine not exceeding £1 for each day during which the offence continues.

Exemptions for Persons Employed in Trade, &c. (Section 42) The provisions of the part of this Act which make it an offence to sell cigarettes or cigarette papers, and which authorise the seizure of cigarettes and cigarette papers, shall not apply where the person to whom the cigarettes or cigarette papers are sold, or in whose possession they are found, was at the time employed by a manufacturer of or dealer in tobacco, either wholesale or retail, for the purposes of his business, or was a boy messenger in uniform in the employment of a messenger company, and employed as such at the time.

**Application
(Section 43).** 43.—(1) For the purposes of this part of this Act, the expression "cigarette" includes cut tobacco rolled up in paper, tobacco leaf, or other material in such form as to be capable of immediate use for smoking.

(2) This part of this Act shall apply to tobacco other than cigarettes in like manner as it applies to cigarettes, except that a person shall not be guilty of an offence for selling such other tobacco to a person apparently under the age of 16 if he did not know, and had no reason to believe, that it was for the use of that person.

(3) This part of this Act shall apply to smoking mixtures intended as a substitute for tobacco in like manner as it applies to cigarettes.

CHAPTER XXXIX.

The Sale of Bread Acts.**The Sale of Bread Act.**

(6 and 7 William IV., c. 37.)

An Act to repeal the Acts in force relating to the sale of bread out of the city of London, and beyond the Bills of Mortality.

Bread made of flour, meal of wheat, barley, rye, oats, buck wheat, Indian corn, peas, beans, rice, or potatoes, or any of them, and with any common salt, pure water, eggs, milk, barm, leaven, potato or other yeast, and mixed with no other ingredient or matter whatsoever, may be made and sold or offered for sale outside the city of London, &c., in the shop of the baker or seller, or delivered to their customers.

Bakers may make bread of any size or weight.

Bread must be sold by weight and in no other manner. Penalty 40s. for selling otherwise. Provided that French or fancy bread or rolls may be sold without previously weighing the same.

(Section 5). Bakers or sellers of bread to use avoirdupois weight. Penalty for not doing so—maximum £5, minimum 40s.

Bakers or sellers of bread must provide in their shops beams, scales, and weights, in order that all bread sold there may from time to time be weighed in the presence of the purchaser, except as aforesaid.

Penalty for not doing so, or for using incorrect or false beam or scales or balance or false weights, a sum of £5.

Bakers or sellers of bread, and every journeyman, servant, or other person employed by them, who shall convey or carry (Section 7). out bread for sale in and from any cart or other carriage, shall be provided with, and shall constantly carry in such cart or other carriage, a correct beam and scales, with proper weights, in order that all bread so sold may from time to time be weighed in the presence of the purchaser, except as aforesaid. Penalty for non-compliance, or for carrying defective weights, or for refusing to weigh any bread so purchased of them or him in the presence of the person purchasing or receiving the same, a sum of £5.

Penalty for making bread for sale except as aforesaid, of other ingredients than those before mentioned, a sum of £10.

(Section 8). The names of offenders may be ordered to be published in some newspaper printed in the neighbourhood.

The adulteration of corn, meal, or flour, and the selling (Section 9). of flour of one sort as the flour of another sort, is liable to a penalty of £20.

Bread made of mixed meal or flour must be marked with the Roman letter M. Penalty, 10s. per pound weight of bread. Provided that bread made of the meal (Section 10). or flour of wheat only, and in the making of which potato yeast shall be used, need not be so marked.

Magistrates or peace officers may cause warrants to be issued for searching the premises of a baker, and if any (Section 11). adulterated flour or bread be found, the same may be seized and disposed of.

A penalty of £10 may be imposed if ingredients for the (Section 12). adulteration of meal or bread are found upon the premises.

(Section 13). A penalty is also imposed for obstructing search.

Bakers not to bake bread or rolls on the Lord's Day, or sell bread or bake pies except between certain (Section 14). hours.

The subsequent section of the Act deals with the form of proceedings to be taken, and generally as to the recovery of penalties, &c.

For practical purposes, at the present time, the most important sections of the Act are the first seven.

The London Bread Act, 1822 (3 Geo. IV., c. 106), for regulating the sale of bread within the city of London "within the weekly bills of mortality," and within 10 miles of the Royal Exchange, is substantially the same as the Act of William IV. *mutatis mutandis*.

It has been held that the section of both Acts which deals with bread sold by weight (section 4) applies to bread delivered in a cart.

CHAPTER XL.

The Weights and Measures Acts.**The Weights and Measures Act, 1878.**

(41 and 42 Vict., c. 49.)

The Weights and Measures Act, 1889.

(52 and 53 Vict., c. 21.)

The Weights and Measures Act, 1904.

(4 Edw. VII., c. 28.)

The three Acts are styled "The Weights and Measures Acts," the first one being referred to as "the principal Act." Taking them in their chronological order, they may be summarised as follows :—

THE PRINCIPAL ACT.

Uniformity of Weights and Measures (Section 3). The same weights and measures shall be used throughout the United Kingdom.

Standards. The standards of measure and weight are determined and defined in Part I. of the Act, and the first three schedules.

The imperial standard yard (as described in section 10) shall be the only unit or standard measure of extension, from which all other measures of extension, whether (a) **Length.** linear, superficial, or solid, shall be ascertained. One-third of the imperial standard yard shall be a foot, and the twelfth part of such foot shall be an inch, and the rod, pole, or perch in length shall contain $5\frac{1}{2}$ yards, and the chain

shall contain 22 yards, and the furlong 220 yards, and the mile 1,760 yards. The rood of land shall contain 1,210 square yards, and the acre shall contain 4,840 such square yards, being 160 square rods, poles, or perches.

The imperial standard pound (see section 13, first schedule) shall be the only unit or standard measure of weight. One-

sixteenth part of such pound shall be an ounce,

(b) Weight and Capacity. and one-sixteenth part of such ounce shall be a

dram, and one seven-thousandth part of the standard pound shall be a grain. A stone shall consist of 14 imperial pounds, and a hundredweight of eight such stones, and a ton of 20 such hundredweights. 480 grains shall be an ounce troy.

All the foregoing weights, except the ounce troy, shall be deemed to be avoirdupois weight.

The unit or standard measure of capacity, from which all other measures of capacity, as well for liquids as for dry goods, shall be the gallon, containing 10 imperial standard pounds weight of distilled water, weighed in air against brass weights, with the water and air at a temperature of 62° F., with the barometer at 30 inches. The quart shall be one-fourth part of the gallon, and the pint shall be one-eighth part of the gallon; 2 gallons shall be a peck, and 8 gallons shall be a bushel; 8 such bushels shall be a quarter, and 36 bushels shall be a chaldron.

**Metric
Equivalents
of Imperial
Weights and
Measures
(Section 18).**

A table in the third schedule sets forth the equivalents of imperial weights and measures, and of the weights and measures therein, expressed in terms of the metric system.

All trade contracts, sales, or dealing for work, goods, wares, or merchandise, done, sold, delivered, carried, or agreed for by weight or measure shall be in (Section 19). terms of imperial weights or measures.

No local or customary measures nor the use of heaped measure shall be lawful.

A penalty of 40s. may be imposed for selling by any denomination of weight or measure other than one of imperial weights or measures or a multiple or part thereof.

All articles sold by weight shall be sold by avoirdupois weight; except that—

(1) Gold and silver, and articles made thereof, (Section 20). including gold and silver thread, lace, or fringe; also platinum, diamonds, and other precious metals or stones may be sold by the ounce troy or any decimal parts of such ounce.

(2) Drugs, when sold by retail, may be sold by apothecaries' weight.

A penalty of £5 may be imposed for acting in contravention of this section.

Contracts or dealings expressed in weights or measures of the metric system are not invalid. Sale of articles in vessels not represented as being of imperial measure is (Sections 21 and 22). also excepted if the vessel is not used nor intended for use as a measure.

A penalty of £5 for first offence, or £10 for second offence, may be imposed upon every person who uses (Section 24). or has in his possession for use for trade a weight or measure which is not of the denomination of some Board of Trade standard.

Every person who uses, or has in his possession for use for trade, any weight, measure, scale, steelyard, or Unjust Weights and Measures (Sections 25, 26, and 27). weighing machine which is false or unjust, shall be liable to a fine of £5, or in the case of a second offence £10, and any contract, bargain, sale, or dealing made by the same shall be void, and such weight, scale, &c., may be forfeited.

A like penalty for fraud in the using of such weight, measure, scale, &c., may be imposed.

Penalty on the sale of false or unjust weight, measure, scale, &c., of £10 for first offence, or of £50 in the case of a second offence.

Every weight, where the size admits, shall have the denomination of such weight stamped on the top or side thereof in legible figures and letters.

Stamping and Verification of Weights and Measures (Sections 28 to 32). Every measure of length (see Act of 1904, section 13) or of capacity shall have the denomination thereof stamped on the outside in legible figures and letters.

A weight or measure not in conformity with this section shall not be stamped with the stamp of verification herein-after mentioned.

Every measure and weight used for trade shall be verified and stamped by an inspector.

Penalty for using or having in possession for use in trade any measure or weight not so stamped, £5 ; or £10 for second offence, in addition to forfeiture of weight or measure.

Any person forging or counterfeiting any stamp used for stamping any weight or measure, or wilfully increasing or diminishing a weight properly stamped, shall be liable to a fine of £50. Any person who knowingly uses, sells, utters, disposes of, or exposes for sale any measure or weight with such forged or counterfeit stamp thereon, or a weight so increased or diminished, shall be liable to a fine of £10 in addition to forfeiture.

The second part of the Act is concerned with administration, and *inter alia* provides for the local verification and inspection of weights and measures. Section 44 enables an inspector appointed by the local authority for a county to enter a place within the district of an inspector appointed by any other local authority, and there verify and stamp the weights and measures of any person residing within his own district. Under section 48, every inspector, duly authorised by a justice of the peace, also every justice of the peace, may at all reasonable times inspect all weights and measures, scales, balances, steelyards, and weighing machines within his jurisdiction which are used or in the possession of any

erson or on any premises for use for trade, may seize and detain any defective weights, &c., and may enter any place where he has reasonable cause to believe that there are any weights, &c., which he is authorised to inspect. Any person neglecting or refusing to produce for such inspection all weights, &c., in his possession or on his premises, or refusing to permit the inspector or justice to examine the same, or obstructing them, shall be liable to a fine of £5 for the first offence and £10 for a second offence.

Any local authority may, with the approval of the Board of Trade, make bylaws as to verification.

With the modifications specified in sections 71-75, the Act shall apply to Scotland, and to Ireland with the modifications specified in sections 76-86.

The Weights and Measures Act, 1889.

Part I. of the Act deals with, *inter alia*, the verification of weighing instruments, of metric weights and measures, new denominations of standards, working standards, qualifications of inspectors, and certain amendments of the principal Act (amongst which imprisonment in cases of fraud is decreed).

Part II. has reference to the sale of coal, and provides—

(1) All coal shall be sold by weight only, except where, **Sale of Coal** by the written consent of the purchaser, it is (Sections 20 sold by boat load or by wagons or tubs delivered to 31). from the colliery into the works of the purchaser.

(2) If any person sells coal otherwise than is required by this section (20), he shall be liable to a fine of £5 for every such sale.

Where any quantity of coal exceeding 2 cwt. is delivered by means of any vehicle to a purchaser, the seller of the coal shall therewith deliver, or cause to be delivered, or to be sent by post or otherwise, to the purchaser or to his servant, before any part of the coal is unloaded, a ticket or note according

to the form in the third schedule to the Act, or according to a form to the like effect.

Penalty of £5 for non-compliance.

If any person attending on such vehicle, having received any such ticket or note for delivery to the purchaser, refuses or neglects to deliver it, or, on being requested so to do, to exhibit it to any authorised inspector, he shall be liable to a fine of £5.

Where any quantity of coal exceeding 2 cwt. is conveyed for delivery on sale in a vehicle in bulk, the seller of the coal shall, unless the vehicle is provided by the purchaser, cause the weight of the vehicle, as well as of the coal contained therein, to be previously ascertained by a weighing instrument, stamped by the inspector of weights and measures, and being on or near the place from which the coal is brought, and shall from time to time cause the tare weight of the vehicle to be marked thereon in such manner as the local authority approves. In any such case, the seller shall insert or cause to be inserted in the ticket a statement of the correct weight of the vehicle, or of the vehicle and of the animal drawing it, where both are weighed together with the load, as well as of the correct weight of the coal contained in the vehicle.

Penalty £5 for failing to comply with this requirement.

If the person in charge of any vehicle in which coal is being carried wilfully makes any false statement as to the tare weight of the vehicle, or wilfully does any act by which either the seller or the purchaser is defrauded, he shall be liable to a similar penalty.

If any person on the sale of coal in any quantity not exceeding 2 cwt. fraudulently delivers to the purchaser a quantity less than is agreed to be sold, he shall be liable to a like penalty.

Where coal is sold by retail for delivery at the place where it is kept for sale, and there is not at or near such place any

duly stamped weighing instrument, the seller shall keep at such place a weighing instrument, stamped as required by the Act ; and shall, if so required by any purchaser, inspector, or authorised officer, weigh any coal before the sale or delivery thereof.

Penalty—£2 for first offence; £5 for any subsequent offence.

Any seller or purchaser of coal, person in charge of vehicle, or inspector may require that any coal or vehicle used for the carriage of coal in bulk be weighed or re-weighed by any weighing instrument stamped by an inspector ; provided that no seller or person in charge of vehicle shall be required to carry such coal beyond half-a-mile for such purpose. If, on such weighing, the weight is found to be as stated, the purchaser shall be liable to the payment of reasonable costs incurred.

Any inspector or other person duly authorised may at all reasonable times enter any building or other place in which coal is sold or kept or exposed for sale, and may stop any vehicle carrying coal for sale or for delivery to a purchaser and may test any weights and weighing instruments found in any such place or vehicle, and may weigh any load, sack, or other less quantity of coal found in any such place or vehicle, and if it appears to a court of summary jurisdiction that there is a deficiency in weight, a penalty of £5 may be imposed. Obstructing or hindering an inspector acting under the section (29) is punishable with a fine of £5 for first offence ; £10 for subsequent offence.

Nothing in the Act shall render any baker or seller of bread, or journeyman, servant, or other person employed by such baker or seller of bread, liable to any **Bread** (Section 32). penalty for refusing to weigh, in the presence of the purchaser, any bread conveyed or carried out in any cart or other carriage, unless he is requested to do so by or on behalf of the purchaser.

The Weights and Measures Act, 1904.

Sections 5-8 confer further powers upon the Board of Trade—

(Sections 5 to 8). (1) To make general regulations as to (a) verification and stamping, (b) obliteration of stamps, (c) tests, (d) authorising local authorities to make regulations, (e) fees for examination.

(2) (a) To determine differences between inspectors and any other person, (b) to hold examinations of persons nominated inspectors, and (c) to impose fines for acting as inspector without the necessary certificate.

Any person who removes a stamp from any weight or measure, or weighing or measuring instrument, and inserts the same into another weight, &c., shall be deemed to forge or counterfeit a stamp within the meaning of section 32 of the principal Act.

Forging Stamps (Section 10). The fines for increasing or diminishing weights apply in like manner to measures.

Nothing in the enactments which are referred to in the fourth schedule to the Act of 1889 shall render any baker or seller of bread, or journeyman, servant, or other person employed by such baker or seller liable to any penalty or forfeiture for weighing any bread conveyed or carried out in any cart or other carriage by means of any of the instruments for weighing included in the definition "weighing instruments" in section 35 of the Act of 1889.

Bakers (Section 11). These are scales with the weights belonging thereto, scale beams, balances, spring balances, steelyards, weighing machines, and the instruments for weighing. The enactments referred to are 3 Geo. IV., c. 106, regulating the sale of bread within the City of London; and the Bread Act, 1836 (6 and 7 William IV., c. 37.) See page 376

CHAPTER XLI.

The Food and Drugs Acts.**The Sale of Food and Drugs Acts, 1875 to 1907.**

The Acts are five in number, and comprise the Sale of Food and Drugs Act, 1875 ; the Amendment Act of 1879 ; the Margarine Act, 1887 ; the Sale of Food and Drugs Act, 1899 ; and the Butter and Margarine Act, 1907. The first-named Act is the principal Act, and the others are more or less supplementary, but all of them are important and require careful attention. It may be convenient to consider the main provisions of the principal Act so far as they affect sellers and purchasers of the articles enumerated, and to show in what manner these provisions have been modified or extended by the subsequent Acts.

The Sale of Food and Drugs Act, 1875.

(38 and 39 Vict., c. 63.)

The definition of the term " food " has been repealed by the Act of 1899, which states that the expression " shall include every article used for food or drink by man, other than drugs or water (and any article which ordinarily enters into or is used in the composition or preparation of human food ; and shall also include flavouring matters and condiments)."

Interpretation of Terms
"Food" and "Drug"
 (Section 2).

The words in brackets were added by section 26 of the Act of 1899, as it was held in a case decided in 1894 that the definition of food contained in the Act of 1875 was not wide enough to include baking powder made up of 20 per cent of bicarbonate of soda, 40 per cent of alum, and 40 per cent

of ground rice. The definition in its present form is unquestionably very comprehensive.

The term "drug" shall include medicine for internal or external use.

This definition remains unaltered.

This section prohibits the mixing, colouring, staining, or powdering any article of food with any ingredient or material

so as to render the article injurious to health, with intent that the same may be sold in that state. It also prohibits the sale of any such article so mixed, coloured, stained, or powdered.

**Mixing
Injurious
Ingredients
with Food
Prohibited
(Section 3).**

Penalty, £50 for first offence; every offence after, a conviction for a first offence shall be a misdemeanour, for which the person on conviction shall be imprisoned for a period not exceeding six months with hard labour.

No person shall, except for the purpose of compounding as thereafter described, mix, colour, stain, or powder, or

order or permit the same to be done, any drug

**Mixing Drugs
with Injurious
Ingredients
Prohibited
(Section 4).**

with any ingredient or material so as to affect injuriously the quality or potency of such drug, with intent that the same may be sold in that

state; and no person shall sell any such drug so mixed, coloured, stained, or powdered, under the same penalty in each case as in the last preceding section for a first and subsequent offence.

Provided that no person shall be liable to be convicted under either of the last two sections in respect of the sale of

**Proof of
Absence of
Knowledge
(Section 5).**

any article of food or of any drug, if he shows to the satisfaction of the court that he did not know of the article of food or drug sold by him being so mixed, coloured, stained, or powdered, and that he could not with reasonable diligence have obtained that knowledge.

Under section 4, it is not necessary, as is the case under section 3, to prove direct injury to health.

No person shall sell, to the prejudice of the purchaser, any article of food or any drug which is not of the nature, substance, and quality of the article demanded by such purchaser, under a penalty of £20.

**Sale of Articles
of Food and of
Drugs not of
the Proper
Nature,
Substance,
and Quality
Section 6).**

Provided that no offence shall be deemed to be committed under this section in the following cases :—

- (1) When any matter or ingredient not injurious to health has been added to the food or drug because the same is required for the production or preparation thereof as an article of commerce, in a state fit for carriage or consumption, and not fraudulently to increase the bulk, weight, or measure of the food or drug, or conceal the inferior quality thereof.
- (2) Where the drug or food is a proprietary medicine, or is the subject of a patent in force, and is supplied in the state required by the specification of the patent.
- (3) Where the food or drug is compounded as mentioned in the Act.
- (4) Where the food or drug is unavoidably mixed with some extraneous matter in the process of collection or preparation.

As most of the prosecutions under the Food and Drugs Acts have been instituted under this section, it is of the first importance that attention should be paid to the salient words "to the prejudice of the purchaser" and "nature, substance, and quality of the article demanded." Many cases have come before the courts in which the interpretation of these words has been in dispute. As a consequence, section 2 of the amending Act of 1879 provides—"In any prosecution under the provisions of the principal Act for selling to the prejudice of the purchaser any article of food or any drug which is not of the nature, substance, and quality of the

article demanded by such purchaser, it shall be no defence to any such prosecution to allege that the purchaser, having bought only for analysis, was not prejudiced by such sale. Neither shall it be a good defence to prove that the article of food or drug in question, though defective in nature or in substance or in quality, was not defective in all three respects."

Compound Articles of Food and Compounded Drugs (Section 7) This section prohibits, under a penalty of £20, the sale of any compound article of food or compounded drug which is not composed of ingredients in accordance with the demand of the purchaser.

Protection from Offences by Supplying Label (Section 8). No person shall be guilty of any such offences as aforesaid in respect of the sale of an article of food or a drug mixed with any matter or ingredient not injurious to health, and not intended fraudulently to increase its bulk, weight, or measure, or conceal its inferior quality, if at the time of delivering such article or drug he shall supply to the person receiving the same a notice, by a label distinctly and legibly written or printed on or with the article or drug, to the effect that the same is mixed.

Section 12 of the Sale of Food and Drugs Act, 1899, enacts that the label here referred to shall "not be deemed to be distinctly and legibly written or printed unless it is so written or printed that the notice of mixture given by the label is not obscured by other matter on the label. Provided that nothing in this enactment shall hinder or affect the use of any registered trade mark, or of any label which has been continuously in use for at least seven years before the commencement of this Act; but the Comptroller-General of Patents, Designs, and Trade Marks shall not register any trade mark purporting to describe a mixture unless it complies with the requirements of this enactment."

No person shall, with the intent that the same may be

**Abstraction of
Part of an
Article of Food
before Sale
(Section 9).**

sold in its altered state without notice abstract from an article of food any part of it so as to affect injuriously its quality, substance, or nature, and no person shall sell any article so altered without making disclosure of the alteration, under a penalty in each case of £20.

**Power to a
Purchaser of an
Article of Food
to have it
Analysed
(Section 12).**

Any purchaser of an article of food or of a drug in any district where there is any analyst appointed under the Act shall be entitled, on payment of a fee of ten shillings and sixpence, to have such article analysed and to receive a certificate as to the result of the analysis.

**Officer
(authorised)
may obtain a
Sample to
Submit to
Analyst
(Section 13).**

Any duly authorised officer may procure any sample of food or drugs, and if he suspect the same to have been sold to him contrary to any provision of the Act, shall submit the same to be analysed to a duly appointed analyst, who shall give a certificate specifying the result of his analysis.

This section now stands—"The person purchasing any article with the intention of submitting the same to analysis shall, after the purchase shall have been completed,

forthwith notify to the seller, or his agent selling the article, his intention to have the same analysed by the public analyst, and shall divide the article into three parts, to be then

and there separated, and each part to be marked and sealed, or fastened up in such manner as its nature will permit, and shall, if required to do so, deliver one of the parts to the seller or his agent. He shall afterwards retain one of the said parts for future comparison and submit the third part, if he deems it right to have the article analysed, to the analyst."

If any authorised officer shall apply to purchase any article of food or any drug exposed for sale or on sale by

**Samples
(Section 14 as
amended by
Section 13 of
the Act of
1899).**

Person Refusing to Sell any Article to an authorised Officer liable to a Penalty (Section 17).

retail on any premises or in any shop or stores, and shall tender the price for the quantity which he shall require for the purpose of analysis, not being more than shall be reasonably requisite, and the person exposing the same for sale shall refuse to sell the same to such officer, such person shall be liable to a penalty of £10.

By section 5 of the amending Act of 1879 it is enacted that "any street or open place or public resort shall be held to come within the meaning of section 17 of the principal Act."

At the hearing of the information, the production of the certificate of the analyst shall be sufficient evidence of the facts therein stated, unless the defendant shall require that the analyst shall be called as a witness, and the parts of the articles retained by the person who purchased the article shall be produced; and the defendant may, if he think fit, tender himself and his wife to be examined on his behalf, and he or she shall, if he or she so desire, be examined accordingly.

The justices before whom any complaint is made may, at the request of either party, have the articles of food or drug analysed at Somerset House, and the expenses shall be borne as the justices may direct (section 22).

If the defendant in any prosecution under the Act prove to the satisfaction of the justices or court that he had purchased the article in question as the same in nature, substance, and quality as that demanded of him by the prosecutor, and with a written warranty to that effect, that he had no reason to believe at the time when he sold it that the article was otherwise, and that he sold it in the same state as when he purchased it, he shall be discharged from the prosecution, but shall be liable to pay the costs incurred by the prosecu-

Defendant to be Discharged if he Prove that he Bought the Article in the same state as Sold, and with a Warranty (Section 25 as amended by Section 20 of the Act of 1899).

tor, unless he shall have given due notice to him that he will rely on the above defence.

Section 20 of the Act of 1899 should be read in conjunction with the foregoing section. This provides that a warranty or invoice shall not be available as a defence unless the defendant has, within seven days after the service of the summons, sent to the purchaser a copy of such warranty or invoice, with a written notice stating that he intends to rely on the warranty or invoice, and specifying the name and address of the person from whom he received it, and has also sent a like notice of his intention to such person. Such person shall be entitled to appear at the hearing and to give evidence. A warranty or invoice given by a person resident outside the United Kingdom shall not be available as a defence, unless the defendant proves that he had taken reasonable steps to ascertain, and did in fact believe in, the accuracy of the statement contained in the warranty or invoice. If the defendant is a servant of the person who purchased the article under a warranty or invoice, he shall be entitled to rely on section 25 of the Act of 1875, and section 7 of the Margarine Act of 1887, in the same way as his employer or master would have been entitled to do if he had been the defendant, provided that the servant further proves that he had no reason to believe that the article was otherwise than that demanded by the prosecutor.

Penalty for giving a false warranty in writing, £20 for first offence, £50 for second, and £100 for third offence, unless the person accused proves that when he gave the warranty he had reason to believe that the statements or descriptions contained therein were true.

It does not appear to be necessary in this place to refer to the remaining sections of the Act.

The Sale of Food and Drugs Act Amendment Act, 1879.

(42 and 43 Vict., c. 30.)

The most important sections of this Act to which reference has not already been made are 3, 4, and 6.

Any authorised officer may procure at the place of delivery any sample of any milk in course of delivery to the purchaser

Authorised Officer may obtain a Sample of Milk at the Place of Delivery (Section 3 amended by Section 14 of the Act of 1899).

or consignee in pursuance of any contract for the sale to such purchaser or consignee of such milk ; and such officer, if he suspect the same to have been sold contrary to any of the provisions of the principal Act, shall submit the same to be analysed, and proceedings shall be taken and penalties on conviction be enforced in like manner in all respects as if such officer

had purchased the same from the seller or consignor under section 13 of the principal Act.

The seller or consignor or any person or persons entrusted by him for the time being with the charge of such milk, if he shall refuse to allow such officer to take the quantity which such officer shall require for the purpose of analysis, shall be liable to a penalty of £10.

Section 14 of the Act of 1899 enacts that the provisions of sections 3 and 4 of this Act shall apply to every other article of food ; provided that no samples shall be taken under that section except upon the request or with the consent of the purchaser or consignee.

In determining whether an offence has been committed under section 6 of the principal Act by selling, to the prejudice of the purchaser, spirits not adulterated otherwise than by the admixture of water, it shall be a good defence to prove that such admixture has not reduced the spirit more than 25 degrees under proof for brandy, whisky, or rum, or 35 degrees under proof for gin.

Reduction of Spirit Allowed (Section 6).

The Margarine Act, 1887.

(50 and 51 Vict., c. 29.)

The word "butter" shall mean the substance usually

known as butter, made exclusively from milk or cream, or both, with or without salt or other preservative, and with or without the addition of colouring matter. The word "margarine" shall mean all substances, whether compounds or otherwise, prepared in imitation of butter, and whether mixed with butter or not, and no such substance shall be lawfully sold except under the name of margarine and under the conditions set forth in the Act.

The expression "margarine cheese," under section 25 of the Act of 1899, means any substance, whether compound or otherwise, which is prepared in imitation of cheese, and which contains fat not derived from milk.

"Cheese" means the substance usually known as cheese, containing no fat derived otherwise than from milk.

Every person dealing in margarine or margarine cheese (see section 5 of the Act of 1899), whether wholesale or retail,

Penalty (Section 4). whether a manufacturer, importer, or as a consignor or consignee, or as a commission agent or otherwise, who is found guilty of an offence under the Act, shall be liable, on summary conviction, for a first offence to a penalty of £20, second offence £50, and for a third or subsequent offence £100, and in certain circumstances to imprisonment. (See section 17 of the Act of 1899, page 392.)

Where an employer is charged with an offence against the Act, he shall be entitled, upon information duly laid by him,

Exemption from Penalty (Section 5). to have any other person whom he charges as the actual offender brought before the court at the time appointed for hearing the charge, and if, after the commission of the offence has been proved, the employer proves to the satisfaction of the court that he had used due diligence to enforce the execution of the Act, and that the said other person had committed the

offence in question without his knowledge, consent, or connivance, the said other person shall be summarily convicted of such offence, and the employer shall be exempt from the penalty.

Every person dealing in margarine or margarine cheese (see section 5 of Act of 1899) shall conform to the following regulations :—

**Marking
of Cases
(Section 6
amended by
Sections 5
and 6 of
the Act of
1899)**

Every package, whether open or closed, and containing margarine or margarine cheese shall be branded or durably marked "margarine" or "margarine cheese" on

the top, bottom, and sides, in printed capital letters, not less than three-quarters of an inch square ; and if such margarine or margarine cheese be exposed for sale by retail, there shall be attached to each parcel thereof, so exposed and in such manner as to be clearly visible to the purchaser, a label marked in printed capital letters not less than one-and-a-half inches square "margarine" or "margarine cheese," and every person selling margarine or margarine cheese by retail, save in a package duly branded or durably marked as aforesaid, shall in every case deliver the same to the purchaser in a paper wrapper on which shall be printed in capital letters "margarine" or "margarine cheese."

But section 6 of the Act of 1899 requires that the brand or mark shall be on the package itself, and not solely on a label, ticket, or other thing attached thereto ; also that the letters required to be printed on the paper wrapper in which margarine or margarine cheese is sold shall be capital block letters, not less than half-an-inch long, and distinctly legible, and no other printed matter shall appear on the wrapper.

Every person dealing with, selling, or exposing, or offering for sale, or having in his possession for the purpose of sale,

**Presumption
against
Vendor**
(Section 7
amended by
Section 5
of the Act
of 1899).

any quantity of margarine or margarine cheese, contrary to the provisions of the Act, shall be liable to conviction for an offence against the Act, unless he shows to the satisfaction of the court before whom he is charged that he purchased the article in question as butter or cheese, and with a written warranty or invoice to that effect, that he had no reason to believe at the time when he sold it that the article was other than butter or cheese, and that he sold it in the same state as when he purchased it, and in such case he shall be discharged from the prosecution.

But see section 20 of the Act of 1899 before-mentioned with regard to warranty or invoice (page 392).

All margarine or margarine cheese imported into the United Kingdom, and all margarine or margarine cheese,

**Margarine
Imported or
Manufactured**
(Section 8
amended by
Section 5
of the Act
of 1899).

whether imported or manufactured within the United Kingdom, shall, whenever forwarded by any public conveyance, be duly consigned as margarine or margarine cheese ; and it shall be lawful for any duly authorised officer to procure samples for analysis, if he shall have reason to believe that the provisions of the Act are infringed, to examine and take samples from any package, and submit the same for analysis.

Every manufactory of margarine or margarine cheese within the United Kingdom shall be registered by the owner

or occupier thereof with the local authority from time to time in such manner as the Local Government Boards of England and Ireland and the Secretary for Scotland respectively may direct, and every such owner or occupier

carrying on such manufacture in a manufactory not duly registered shall be guilty of an offence under the Act.

**Registration of
Manufactory**
(Section 9
amended by
Sections 5 and 7
of the Act
of 1899).

Any duly authorised officer may, without going through the form of purchase, take for the purposes of analysis samples of any butter or cheese, or substances purporting to be butter or cheese, which are exposed for sale, and are not marked margarine or margarine cheese as provided by the Act ; and any such substances not being so marked shall be presumed to be exposed for sale as butter or cheese.

**Power to
Inspectors to
take Samples
without
Purchase**
(Section 10
amended by
Section 5
of the Act
of 1890).

Butter and Margarine Act, 1907.

(7 Edw. VII., c. 21.)

(1) The provisions of section nine of the Margarine Act, 1887, as amended by section seven of the Sale of Food and Drugs Act, 1899, relating to the registration of the manufactories of margarine shall with the necessary adaptations, apply to—

**Registration
of Factories
and Consign-
ments**
(Section 1).

**Butter
Factories.**

**Milk-blended
Butter.**

- (a) Butter factories, that is to say, any premises on which by way of trade butter is blended, reworked, or subjected to any other treatment, but not so as to cease to be butter ; and
- (b) Any premises on which there is manufactured any milk-blended butter (that is to say, any mixture produced by mixing or blending butter with milk or cream other than condensed milk or cream) or on which there is carried on the business of a wholesale dealer in milk-blended butter.

(2) The provisions of section seven of the Sale of Food and Drugs Act, 1899, relating to registers of consignments of margarine, shall, with the necessary adaptations, apply to consignments of milk-blended butter.

**Registers of
Consignments.**

(3) Premises shall not be used as a butter factory if they form part of or communicate, otherwise than by a public street or road, with any other premises which are required to be registered under the Sale of Food and Drugs Acts or under paragraph (b) of this section, and if any premises are so used the occupier thereof shall be guilty of an offence under this Act, and the local authority shall remove from the register of butter factories kept by them any premises used as a butter factory contrary to this provision :

Provided that this sub-section shall not apply to premises which on the first day of January one thousand nine hundred and seven were being used as a butter factory and formed part of or communicated with premises which were then registered under the Sale of Food and Drugs Acts, if and so long as the Board of Agriculture and Fisheries so direct.

(1) Any officer of the Board of Agriculture and Fisheries or of the Local Government Board shall have power to enter at all reasonable times any premises registered under the Sale of Food and Drugs Acts or this Act, and to inspect any process of manufacture, blending, reworking, or treatment used therein, and to take samples for analysis of any butter, margarine, margarine cheese, milk-blended butter, or of any article capable of being used in the manufacture, treatment, or adulteration of any such article as aforesaid.

(2) An officer of a local authority who is authorised to procure samples under the Sale of Food and Drugs Acts shall, if specially authorised in that behalf by the local authority, have the like powers of entry, inspection, and sampling as regards any premises registered with the authority as a butter factory.

(3) If the Board of Agriculture and Fisheries have reason to believe—

Unregistered Premises.

- (a) That on any unregistered premises there is carried on any process of manufacture, blending, reworking, or treatment or wholesale dealing which under the Sale of Food and Drugs Acts or this Act cannot be carried on except on registered premises ; or
- (b) That on any premises butter is by way of trade either made or stored, and that for the purposes of those Acts inspection is desirable, the Board may specially authorise any officer of the Board to enter the premises, and in such case the officer shall have the like powers of entry, inspection, and sampling as if the premises were registered.
- (4) Where under this section a special authority is required, an officer of the Board or of a local authority shall not be entitled to exercise any of his powers under this section unless, if so requested by Production of Authority. or on behalf of the occupier of the premises to be entered, he produces his authority.

(5) Sub-section (2) of section seven of the Sale of Food and Drugs Act, 1899, is hereby repealed.

If any substance intended to be used for the adulteration of butter is found in any butter factory, the occupier of the factory shall be guilty of an offence under this Act, and if any oil or fat capable of being so used is found it shall be deemed to be intended to be so used, unless the contrary is proved.

(1) If any butter which, when prepared for sale or consignment, contains more than sixteen per cent of water is in any butter factory, or if any margarine which, when prepared for sale or consignment, contains more than sixteen per cent of water is in any margarine factory, or if any such butter or margarine is consigned from a butter factory or margarine factory, the occupier of

Limit of Moisture in Butter, Margarine, and Milk-blended Butter (Section 4).

the factory or consignor, as the case may be, shall (whether the excess of moisture is due to adulteration or not) be guilty of an offence under this Act, unless the occupier or consignor proves to the satisfaction of the court that the butter or margarine was not made, blended, reworked, or treated in the factory.

(2) Any person who manufactures, sells, or exposes or offers for sale, or has in his possession for the purpose of sale, any milk-blended butter which contains more than twenty-four per cent of water, shall be guilty of an offence under this Act.

(1) There shall be included in the list of articles importation of which is made an offence by section one of the Sale of Food and Drugs Act, 1899, the following articles :—

Provisions as to the Importation of Butter, Margarine, and Milk-blended Butter (Section 5).

- (e) Butter containing more than sixteen per cent of water ;
- (f) Margarine containing more than sixteen per cent of water, or more than ten per cent of butter fat ;

- (g) Milk-blended butter containing more than twenty-four per cent of water ;

- (h) Milk-blended butter, except in packages conspicuously marked with such name as may be approved by the Board of Agriculture and Fisheries for the purpose ;

- (i) Butter, margarine, or milk-blended butter which contains a preservative prohibited by any regulation made under this Act, or an amount of a preservative in excess of the limit allowed by any such regulation ;

and in the said section the words "adulterated or impoverished butter (other than margarine) or," and the words "butter or" shall be repealed.

(2) The maximum fine for an offence under the said

Maximum Fine. section one, as amended by this section, shall, where the article in respect of which the offence was committed is butter, margarine, margarine cheese, or milk-blended butter, be either such as is provided in the said section one, or, at the election of the Commissioners of Customs, a fine equal to the value of the goods imported bearing the same mark or description, to be estimated and taken according to the rate and price for which the goods of the like kind but of the best quality were sold at or about the time of the importation.

(3) In any proceeding under the said section one as amended by this section the certificate of the principal chemist of the Government Laboratories, or, if the person who made the analysis be called as a witness, the evidence of that person, that an imported substance is margarine or milk-blended butter shall raise a presumption,

Analyst need not be called unless three days' Notice given and Deposit for Costs. until the contrary is proved, that the substance is margarine or milk-blended butter, and the defendant shall not be entitled to require the person who made the analysis to be called as a witness unless he shall, at least three clear days before the return day, give notice to the prosecutor that he requires his attendance, and deposit with the prosecutor a sum sufficient to cover the reasonable costs and expenses of his attendance, which costs and expenses shall be paid by the defendant in the event of his conviction.

(4) Where a sample taken under the said section one as amended by this section is certified by the principal chemist to be margarine or milk-blended butter the Commissioners of Customs shall upon receiving the certificate forthwith notify the importer thereof.

The power of making regulations under section four of the Sale of Food and Drugs Act, 1899, shall extend to making regulations as to the proportion of any milk-solids in Butter (Section 6). regulations as to the proportion of any milk-solid other than milk-fat in any sample of butter or milk-blended butter.

(1) The Local Government Board may, after such inquiry as they deem necessary, make regulations for prohibiting **Regulations as to Preservatives** the use as a preservative of any substance specified in such regulations in the manufacture or preparation for sale of butter, margarine, or milk-blended butter, or for limiting the extent to which, either generally or as regards any particular substance or substances, preservatives may be used in the manufacture or preparation for sale of butter, margarine, or milk-blended butter.

(2) Any regulations made under this section shall be notified in the London, Edinburgh, or Dublin Gazette as **Gazette.** the case may require, and shall also be made known in such other manner as the Local Government Board may direct.

(3) Any person who manufactures, sells, or exposes or offers for sale, or has in his possession for the purpose of sale, any butter, margarine, or milk-blended butter which contains a preservative prohibited by a regulation under this section or an amount of a preservative in excess of the limit allowed by any such regulation, shall be guilty of an offence under this Act.

If in any wrapper enclosing margarine, or on any package containing margarine, or on any label attached to a **Marking of Wrappers, &c., used in connection with Margarine** (Section 8). parcel of margarine, or in any advertisement or invoice of margarine a person dealing in margarine describes it by any name other than either "margarine," or a name combining the word "margarine" with a fancy or other descriptive name approved by the Board of Agriculture and Fisheries and printed in type not larger than and in the same colour as the word "margarine," he shall be guilty of an offence under this Act.

(1) Milk-blended butter shall be dealt with under such name or names as may be approved by the Board of

**Regulation
of Sale of
Milk-blended
Butter
(Section 6)**

Agriculture and Fisheries and under the conditions applicable to the sale or description of margarine, with the substitution of an approved name for the word "margarine," and with this modification, that, in any case where, in order to comply with those conditions, the article is delivered to the purchaser in a wrapper, there shall, in addition to the approved name, be printed on the wrapper in such manner as the Board approve such description of the article, setting out the percentage of moisture or water contained therein, as may be approved by the Board.

(2) Milk-blended butter, whenever forwarded by any public conveyance, shall be duly consigned under the name which, as respects the article consigned, has been approved by the Board under this section; subject to this modification, section eight of the Margarine Act, 1887, shall apply to milk-blended butter in like manner as it applies to margarine.

(3) If any person deals with, sells, or exposes or offers for sale, or has in his possession for the purpose of sale, or describes any milk-blended butter contrary to the provisions of this section, he shall be guilty of an offence under this Act, but any defence which would be a defence under section seven of the Margarine Act, 1887, as respects margarine, shall be a defence under this section as respects milk-blended butter.

A name shall not be approved by the Board of Agriculture and Fisheries for use in connection with margarine if it refers to or is suggestive of butter or anything connected with the dairy interest, nor shall such a name be approved as a name under which milk-blended butter may be imported or dealt with.

(1) Any person guilty of an offence under this Act shall be liable on conviction under the Summary Jurisdiction

Penalties for Offences (Section 11). Acts for a first offence to a fine not exceeding twenty pounds and for a second offence to a fine not exceeding fifty pounds and for a third or any subsequent offence to a fine not exceeding one hundred pounds, and in cases where imprisonment can be inflicted under section seventeen of the Sale of Food and Drugs Act, 1899, to such imprisonment as is by that section authorised.

(2) Section five of the Margarine Act, 1887 (which exempts employers from liability in certain cases), and section eleven of the same Act (which relates to the appropriation of penalties), and section twelve of **Application of Provisions of Margarine Act, 1887.** the same Act (which relates to proceedings under that Act), shall apply to proceedings under this Act, with the substitution of references to this Act for references to the Margarine Act, 1887.

Except in the administrative county of London, section eight of the Margarine Act, 1887, shall have effect as if the words "inspector of weights and measures" were inserted after the word "nuisances."

(1) For the purposes of the Sale of Food and Drugs Acts Definition of "Margarine" (Section 13). and this Act the expression "Margarine" shall mean any article of food, whether mixed with butter or not, which resembles butter and is not milk-blended butter.

(2) The above definition shall be substituted for the definition of margarine in the Margarine Act, 1887.

(1) This Act may be cited as the Butter and Margarine Act, 1907, and shall be construed as one with the Sale of Food and Drugs Acts 1899, and may be cited with the Sale of Food and Drugs Acts as the Sale of Food and Drugs Acts, 1875 to 1907.

Short Title, Construction. (2) This Act came into operation on the first day of January one thousand nine hundred and eight.

Commencement, 1st Jan., 1908.

The Sale of Food and Drugs Act, 1899.

(62 and 63 Vict., c. 51.)

If there is imported into the United Kingdom any of the following articles, namely :—

- | | |
|---|--|
| Penalty on
Importing
Agricultural
and other
Produce
Insufficiently
Marked
(Section 1). | <ul style="list-style-type: none"> (a) Margarine or margarine cheese, except in packages conspicuously marked "margarine" or "margarine cheese," as the case may require ; or (b) Adulterated or impoverished butter (other than margarine), or adulterated or impoverished milk or cream, except in packages or cans conspicuously marked with a name or description indicating that the butter or cream has been so treated ; or (c) Condensed, separated, or skimmed milk, except in tins or other receptacles which bear a label whereon the words "machine skimmed milk" or "skimmed milk," as the case may require, are printed in large and legible type ; or (d) Any adulterated or impoverished article of food to which an Order in Council may direct that this section shall be applied, unless the same be imported in packages or receptacles conspicuously marked with a name or description indicating that the article has been so treated, |
|---|--|

the importer shall be liable, on summary conviction, for the first offence to a fine of £20, for the second offence of £50, and for a subsequent offence of £100.

The word "importer" shall include any person who, whether as owner, consignor, or consignee, agent or broker, is in possession of, or in anywise entitled to the custody or control of the article. Prosecutions to be undertaken by the Commissioners of Customs, who may take such samples of consignments of imported articles of food as may be necessary.

Where they take a sample of any consignment, they shall divide it into not less than three parts, and send one part to the importer, and one part to the principal chemist of the Government laboratories, and retain one part. In any proceedings under this section, the certificate of such chemist shall be sufficient evidence of the facts therein stated, unless the defendant require that the person who made the analysis be called as a witness.

An article of food shall be deemed to be adulterated or impoverished if it has been mixed with any other substance, or if any part of it has been abstracted so as in either case to affect injuriously its quality, substance, or nature; but an article of food shall not be deemed to be adulterated by reason only of the addition of any preservative or colouring matter of such a nature and in such quantity as not to render the article injurious to health.

Local Government Board or Board of Agriculture may sample articles of Food (Section 2). The officer procuring the sample shall divide the same into four parts, and shall deal with three of such parts in manner directed by the Sale of Food and Drugs Act, 1875 (as amended), and shall send the fourth part to the Board of Agriculture.

Section 3 requires the local authority to appoint a public analyst and to enforce the provisions of the Act, so as to provide proper securities for the sale of food (Section 3). and drugs in a pure and genuine condition, and it enables the Local Government Board or the Board of Agriculture to act in default of the local authority.

Section 4 enables the Board of Agriculture to make regulations for determining what deficiency in any of the normal constituents of genuine milk, cream, butter, or cheese, or what addition of extraneous matter or proportion of water in any sample of milk (including condensed milk), cream, butter, or cheese shall, for the purposes of the Sale of Food and Drugs Acts, raise a presumption,

until the contrary is proved, that the milk, cream, butter, or cheese is not genuine or injurious to health.

(Section 5.) As to the extension of the Margarine Act, 1887, to margarine cheese has already been dealt with.

(Section 6.) As to the mode of marking margarine and margarine cheese has been referred to above.

Every occupier of a manufactory of margarine and margarine cheese, and every wholesale dealer in such substances,

**Manufacturers
of and Dealers
in Margarine
and Margarine
Cheese must
keep a Register** (Section 7.) shall keep a register showing the quantity and destination of each consignment of such substances sent out from his manufactory or place of business, and such shall be open to the inspection of any officer of the Board of Agriculture, who shall have power to enter at all reasonable times any such manufactory, and to inspect any process of manufacture therein, and to take samples for analysis.

If any such occupier or dealer—

- (a) Fails to keep such a register ; or
- (b) Refuses to produce the register when required to do so by an officer of the Board of Agriculture ; or
- (c) Fails to keep the register posted up to date ; or
- (d) Wilfully makes any entry in the register which is false in any particular ; or
- (e) Fraudulently omits to enter any particular which ought to be entered in the register ;

he shall be liable, on a summary conviction, for a first offence to a fine of £10, and of £50 for a subsequent offence.

The provisions of the Margarine Act, 1887, relating to the registration of manufactories, shall extend to any premises wherein the business of a wholesale dealer in margarine or margarine cheese is carried on.

It shall be unlawful to manufacture, sell, expose for sale, or import any margarine the fat of which contains more

**Restriction on
Amount of
Butter Fat in
Margarine
(Section 8).**

than 10 per cent of butter fat, and every person who manufactures, sells, exposes for sale, or imports any margarine which contains more than that percentage shall be guilty of an offence under the Margarine Act, and any defence which would be a defence under section 7 of that Act shall be a defence under this section, and the provisions of the former section shall apply accordingly.

Every person who himself, or by his servant, in any highway or place of public resort sells milk or cream from a vehicle, or from a can or other receptacle, shall have conspicuously inscribed on the vehicle or receptacle his name and address, and in default shall be liable, on summary conviction, to a fine of £2.

Every tin or other receptacle containing condensed, separated or skimmed milk, must bear a label, clearly visible to the purchaser, on which the words "machine skimmed milk" or "skimmed milk," as the case may require, are printed in large and legible type; and if any person sells or exposes or offers for sale condensed, separated or skimmed milk in contravention of this section, he shall be liable, on summary conviction, to a penalty of £10.

Under section 1 of the Act (as already stated) the importation of such milk is also liable to a penalty.

**Notice of
Mixtures
(Section 12).**

With reference to this section see section 8 of the principal Act, page 390.

**Samples
(Section 13).**

See observations on section 14 of principal Act, page 391.

**Taking
Samples in
Course of
Delivery
(Section 14).**

See section 3 of the Food and Drugs Act Amendment Act, 1879, page 394.

In section 16 of the principal Act the words "registered

(Section 15). "parcel" shall be substituted for the words "registered letter."

Any person who wilfully obstructs or impedes any inspector or other officer in the course of his duties under the Sale of Food and Drugs Acts, or by any gratuity,

Obstruction of Officer in Discharge of his Duty (Section 16). bribe, promise, or other inducement, prevents or attempts to prevent the due execution by such inspector or officer of his duty under those

Acts, shall be liable, on summary conviction, for the first offence to a fine of £20, of £50 for a second offence, and of £100 for any subsequent offence.

Where under any provisions of the principal Act a person guilty of an offence is liable to a fine which may extend to £20, he shall be liable for a second offence to a

Penalties (Section 17). fine of £50, and for any subsequent offence to a

fine of £100. Imprisonment, however, may be ordered in cases in which a person is liable to a fine exceeding £50, if the court is of opinion that the offence was committed by the personal act, default, or culpable negligence of the person accused.

Where any article of food or drug is exposed for sale in an unopened tin or packet duly labelled, no person shall be required to sell it except in the unopened tin or packet in which it is contained.

When any article of food or drug has been purchased from any person for test purposes, any prosecution under

Time for Proceeding (Section 19). the Sale of Food and Drugs Acts in respect of the sale thereof shall not be instituted after the expiration of 28 days from the time of the purchase. The summons shall state particulars of

the offence alleged, and also the name of the prosecutor, and shall not be made returnable in less time than 14 days from the day on which it is served, and there must be served therewith a copy of any analyst's certificate obtained on behalf of the prosecutor.

**Use of
Warranty or
Invoice as
Defence
(Section 20).**

See observations in section 25 of the principal Act, page 392.

It will be noticed that the words "or invoice" do not occur in the principal Act, but that they appear in section 7 of the Margarine Act, 1887.

**Certificate of
Analysis
(Section 22).**

At the hearing of the information in any proceedings under the Sale of Food and Drugs Acts, the production by the defendant of a certificate of analysis by a public analyst in the form prescribed shall be sufficient evidence of the facts therein stated, unless the prosecutor requires that the analyst be called as a witness. A copy of such certificate shall be sent to the prosecutor three clear days before the return day, and if it be not so sent, the court may, if it thinks fit, adjourn the hearing on such terms as may seem proper.

**Scotland
(Section 23).**

The Act shall apply to Scotland, with the substitution for "the Local Government Board" of "the Local Government Board for Scotland," and all powers and duties vested in or imposed on the Secretary for Scotland in relation to the Sale of Food and Drugs Acts shall be transferred to, vested in, or imposed on the Local Government Board for Scotland.

**Ireland
(Section 24).**

The Act shall apply to Ireland, with the substitution for "the Board of Agriculture" of "the Department of Agriculture and Technical Instruction for Ireland," and for "the Local Government Board" of "the Local Government Board for Ireland," and for "the London and Edinburgh Gazettes" of "the Dublin Gazette."

For the interpretation of the expressions "margarine cheese" and "cheese," see section 3 of the Margarine Act, 1887 (page 395).

**Definitions
(Section 25).**

The expression "local authority" means any local authority authorised to appoint an analyst

for the purposes of the Sale of Food and Drugs Acts, and the expression "public analyst" means an analyst so appointed.

Other expressions have the same meaning as in the Sale of Food and Drugs Act, and an offence under the Act shall be treated as an offence under those Acts.

For the definition of "food," see observations
Section 26). under section 2 of the principal Act, page 387.

CHAPTER XLII.

The Merchandise Marks Acts.**The Merchandise Marks Act, 1887.**

(50 and 51 Vict., c. 28.)

(1) Every person who—

**Offences as to
Trade Marks
and Trade
Description
(Section 2).**

- (a) Forges any trade mark ; or
- (b) Falsely applies to goods any trade mark, or any mark so nearly resembling a trade mark as to be calculated to deceive ; or

- (c) Makes any die, block, machine, or other instrument for the purpose of forging, or of being used for forging, a trade mark ; or

- (d) Applies any false trade description to goods ; or

- (e) Disposes of or has in his possession any die, block, machine, or other instrument for the purpose of forging a trade mark : or

- (f) Causes any of the things above in this section to be done,

shall, subject to the provisions of the Act, and unless he proves that he acted without intent to defraud, be guilty of an offence.

(2) Every person who sells, or exposes for, or has in his possession for sale, or any purpose of trade or manufacture, any goods or things to which any forged trade mark or false trade description is applied, or to which any trade mark or mark so nearly resembling a trade mark as to be calculated to deceive, is falsely applied, as the case may be, shall, unless he proves—

- (a) That having taken all reasonable precautions against committing an offence against the Act, he had at

the time of the commission of the alleged offence no reason to suspect the genuineness of the trade mark, mark, or trade description ; and

- (b) That on demand made by or on behalf of the prosecutor, he gave all the information in his power with respect to the persons from whom he obtained such goods or things ; or

(c) That otherwise he had acted innocently,
be guilty of an offence against the Act.

(3) Every person guilty of an offence against the Act shall be liable, on conviction on indictment, to imprisonment, with or without hard labour, for a term of two years, or to a fine, or to both imprisonment and fine ; and, on summary conviction, to imprisonment, with or without hard labour, for a term of four months, or to a fine of £20 ; and in the case of a second or subsequent conviction, to imprisonment, with or without hard labour, for a term of six months, or a fine of £50 ; and, in any case, to forfeit every chattel, article, instrument, or thing by means of or in relation to which the offence has been committed.

The expression "trade mark" means a trade mark registered under the Patents, Designs, and Trade Marks

Definitions (Section 3). Act, 1883, and includes any trade mark which is protected by law in any British possession or foreign state to which the provisions of the 103rd section of that Act are, under Order in Council, for the time being applicable.

The essential particulars of a trade mark are described in section 64 of the Act of 1883 (51 and 52 Vict., c. 50).

The expression "trade description" means any description, statement, or other indication, direct or indirect—

- (a) As to the number, quantity, measure, gauge, or weight of any goods ; or
- (b) As to the place or country in which any goods were made or produced ; or

- (c) As to the mode of manufacturing or producing any goods ; or
- (d) As to the material of which any goods are composed ; or
- (e) As to any goods being the subject of an existing patent, privilege, or copyright ; .

and the use of any figure, word, or mark which, according to the custom of the trade, is commonly taken to be an indication of any of the above matters, shall be deemed to be a trade description within the meaning of the Act.

The expression " false trade description " means a trade description which is false in a material respect as regards the goods to which it is applied, and includes every alteration of a trade description, whether by way of addition, effacement, or otherwise, where that alteration makes the description false in a material respect ; and the fact that a trade description is a trade mark or part of a trade mark shall not prevent such trade description being a false trade description within the meaning of the Act.

The expression " goods " means anything which is the subject of trade, manufacture, or merchandise.

The expressions " person," " manufacturer, dealer, or trader," and " proprietor," include any body of persons corporate or incorporate.

The expression " name " includes any abbreviation of a name.

The provisions of the Act respecting the application of a false trade description to goods shall extend to the application to goods of any such figures, words, or marks, or arrangement or combination thereof, as are reasonably calculated to lead persons to believe that the goods are the manufacture or merchandise of some person other than the person whose manufacture or merchandise they really are.

The provisions of the Act respecting the application of a false trade description to goods, or respecting goods to which

a false trade description is applied, shall extend to the application to goods of any false name or initials of a person, and to goods with the false name or initials of a person applied, in like manner as if such name or initials were a trade description, and the expression false name or initials means, as applied to any goods, any name or initials of a person which—

- (a) Are not a trade mark, or part of a trade mark, and
- (b) Are identical with, or a colourable imitation of the name or initials of a person carrying on business in connection with goods of the same description, and not having authorised the use of such name or initials, and
- (c) Are either those of a fictitious person or of some person not *bona fide* carrying on business in connection with such goods.

A person shall be deemed to forge a trade mark who either—

- Forging Trade Mark** (Section 4).
- (a) Without the assent of the proprietor of the trade mark makes that trade mark or a mark so nearly resembling that trade mark as to be calculated to deceive ; or
 - (b) Falsifies any genuine trade mark, whether by alteration, addition, effacement, or otherwise ;

and any trade mark or mark so made or falsified is in the Act referred to as a forged trade mark.

In any prosecution for forging a trade mark, the burden of proving the assent of the proprietor shall lie on the defendant.

A person shall be deemed to apply a trade mark or mark or trade description to goods who—

- Applying Marks and Descriptions** (Section 5).
- (a) Applies it to the goods themselves ; or
 - (b) Applies it to any covering, label, reel, or other thing in or with which the goods are sold or exposed or had in possession for any purpose of sale, trade, or manufacture ; or

- (c) Places, encloses, or annexes any goods which are sold or exposed or had in possession for any purpose of sale, trade, or manufacture, in, with, or to any covering, label, reel, or other thing to which a trade mark or trade description has been applied; or
- (d) Uses a trade mark, or mark or trade description in any manner calculated to lead to the belief that the goods in connection with which it is used are designated or described by that trade mark or trade description.

The expression "covering" includes any stopper, cask, bottle, vessel, box, cover, capsule, case, frame, or wrapper; and the expression "label" includes any band or ticket.

A trade mark, mark, or trade description shall be deemed to be applied whether it is woven, impressed, or otherwise worked into, or annexed, or affixed to the goods or to any covering, label, reel, or other thing.

A person shall be deemed to falsely apply to goods a trade mark or mark who, without the assent of the proprietor of a trade mark, applies such trade mark, or a mark so nearly resembling it as to be calculated to deceive.

The burden of proving the assent of the proprietor shall lie on the defendant.

When a defendant is charged with making any die, block, machine, or other instrument for the purpose of forging, or being used for forging a trade mark, or with

Exemption of Certain Persons Employed in the Ordinary Course of Business (Section 6). falsely applying to goods any trade mark or any mark so nearly resembling a trade mark as to be calculated to deceive, or with applying to goods any false description, or causing any of the things in this section mentioned to be done, and proves—

- (a) That in the ordinary course of his business he is employed, on behalf of other persons, to make such dies, &c., and that in the case which is the subject

of the charge he was so employed by some person resident in the United Kingdom, and was not interested in the goods by way of profit or commission dependent on the sale of such goods ; and

- (b) That he took reasonable precautions against committing the offence charged ; and
- (c) That he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the trade mark, mark, or trade description ; and
- (d) That he gave to the prosecutor all the information in his power with respect to the persons on whose behalf the trade mark, mark, or description was applied,

he shall be discharged from the prosecution, but shall be liable to pay the costs of the prosecution, unless he has given notice that he will rely on the above defence.

Where a watch case has thereon any words or marks which constitute, or are by common repute considered as

Application of Act to Watches (Section 7) constituting, a description of the country in which the watch was made, and the watch bears no description of the country where it was made, those words or marks shall *prima facie*

be deemed to be a description of that country within the meaning of the Act, and the provisions of the Act with respect to goods to which a false trade description has been applied, and with respect to selling or exposing for or having in possession for sale, or any purpose of trade or manufacture, goods with a false trade description, shall apply accordingly, and for the purposes of this section the expression "watch" means all that portion of a watch which is not the watch case.

Every person who sends or brings a watch case, whether imported or not, to any assay office in the United Kingdom

**Mark on
Watch Cases**
(Section 8).

for the purpose of being assayed, stamped, or marked, shall make a declaration declaring in what country or place the case was made. A person making a false declaration shall be liable, on conviction or indictment, to the penalties of perjury, and, on summary conviction, to a fine of £20 for each offence.

In any prosecution under the Act—

**Rules as to
Evidence**
(Section 10).

(1) A defendant and his wife or her husband, as the case may be, may, if the defendant thinks fit, be called as a witness, and, if called, shall be sworn and examined in like manner as any other witness.

(2) In the case of imported goods, evidence of the port of shipment shall be *prima facie* evidence of the place or country in which the goods were made or produced.

**Punishment of
Accessories**
(Section 11).

Any person who, being within the United Kingdom, procures, counsels, aids, abets, or is accessory to the commission, without the United Kingdom, of any act which if committed in the United Kingdom, would under the Act be a misdemeanour, shall be guilty of that misdemeanour as a principal, and be liable to be proceeded against in any county or place in the United Kingdom in which he may be, as if the misdemeanour had been there committed.

Search warrants may be issued by a magistrate if he is satisfied that there is reasonable cause to suspect that any goods or things by means of or in relation to (Section 12). which an offence has been committed are in any house or premises of the defendant or otherwise in his possession or under his control. The goods may be seized and forfeited by the court.

No prosecution under the Act shall be commenced after

(Section 15). the expiration of three years after the commission of the offence, or one year after the first discovery thereof, whichever expiration first happens.

This section makes further provision for prohibiting the importation of goods which, if sold, would be liable to forfeiture under the Act, and enacts *inter alia* as

Prohibition on Importation follows :—

(Section 16). (a) All such goods, and also all goods of foreign manufacture bearing any name or trade mark being or purporting to be the name or trade mark of any manufacturer, dealer, or trader in the United Kingdom, unless such name or trade mark is accompanied by a definite indication of the country in which the goods were made or produced, are prohibited to be imported into the United Kingdom.

(b) Where there is on any goods a name which is identical with or a colourable imitation of the name of a place in the United Kingdom, that name, unless accompanied by the name of the country in which such place is situate, shall be treated for the purposes of the section as if it were the name of a place in the United Kingdom.

On the sale or in the contract for the sale of any goods to which a trade mark, or mark, or trade description has been applied, the vendor shall be deemed to warrant that the mark is a genuine trade mark, and not forged or falsely applied, or that the trade description is not a false trade description within the meaning of the Act, unless the contrary is expressed in some writing signed by or on behalf of the vendor, and delivered at the time of the sale or contract to and accepted by the vendee.

With certain slight alterations (as to which see sections 21 and 22) the Act applies to Scotland and Ireland.

Implied Warranty on Sale of Marked Goods (Section 17).

The Merchandise Marks Act, 1891.

(54 and 55 Vict., c. 15.)

The Customs entry relating to imported goods shall, for the purposes of the Merchandise Marks Act, 1887, be deemed to be a trade description applied to the goods.

Section 2 gives power to the Board of Trade, with the concurrence of the Lord Chancellor, to make regulations providing that in certain cases the prosecution of offences under the Merchandise Marks Act, 1887, may be undertaken by the Board of Trade.

The Act does not affect the power of any person or authority to undertake prosecutions otherwise than under the said regulation.

The Merchandise Marks (Prosecution) Act, 1894.

(57 and 58 Vict., c. 19.)

The powers exerciseable by the Board of Trade under the last-mentioned Act may in certain cases be exercised by the Board of Agriculture.

(Section 2). The Act shall not extend to Ireland.

An acquaintance with the main provisions of the Merchandise Marks Act is of importance to the managers and other officials of co-operative societies, seeing that recently several societies have been prosecuted under those Acts for selling goods to which as alleged a false trade description has been applied, and in some cases a conviction has been obtained where the description has been implied from all the circumstances attending the sale.

In all cases under the above Acts in which a fine or penalty is referred to, the maximum fine and maximum penalty is mentioned. It has not been thought necessary to insert the word "maximum" or the words "not exceeding," but these must be understood.

CHAPTER XLIII.

The Prevention of Corruption Act, 1906.

(6 Edw. VII., c. 34.)

(1) If any agent corruptly accepts or obtains, or agrees to accept or attempts to obtain, from any person, for himself

Punishment of Corruption Transactions with Agents (Section 1). or for any other person, any gift or consideration as an inducement or reward for doing or forbearing to do, or for having after the passing of this Act done or forborne to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business ; or

If any person corruptly gives or agrees to give or offers any gift or consideration to any agent as an inducement or reward for doing or forbearing to do, or for having after the passing of this Act done or forborne to do, any act in relation to his principal's affairs or business, or for showing or forbearing to show favour or disfavour to any person in relation to his principal's affairs or business ; or

If any person knowingly gives to any agent, or if any agent knowingly uses with intent to deceive his principal, any receipt, account, or other document in respect of which the principal is interested, and which contains any statement which is false or erroneous or defective in any material particular, and which to his knowledge is intended to mislead the principal ; he shall be guilty of a misdemeanour, and shall be liable on conviction on indictment to imprisonment, with or without hard labour, for a term not exceeding two years, or to a fine not exceeding £500, or to both such im-

prisonment and such fine, or on summary conviction to imprisonment, with or without hard labour, for a term not exceeding four months, or to a fine not exceeding £50, or to both such imprisonment and such fine.

(2) For the purposes of this Act, the expression "consideration" includes valuable consideration of any kind; the expression "agent" includes any person employed by or acting for another; and the expression "principal" includes an employer.

(3) A person serving under the Crown or under any corporation or any municipal, borough, county, or district council, or any board of guardians, is an agent within the meaning of this Act.

(1) A prosecution for an offence under this Act shall not be instituted without the consent, in England of the Attorney-General or Solicitor-General, and in Ireland of the Attorney-General or Solicitor-General for Ireland.

Prosecution of Offences (Section 2).

(2) The Vexatious Indictments Act, 1859, as amended by any subsequent enactment, shall apply to offences under 22 and 23 Vict., c. 19. this Act as if they were included among the offences mentioned in section 1 of that Act.

(3) Every information for any offence under this Act shall be upon oath.

(4) The expenses of any prosecution on indictment under this Act shall be defrayed as in cases of indictment for felony.

(5) A Court of Quarter Sessions shall not have jurisdiction to inquire of, hear, and determine prosecutions on indictments for offences under this Act.

(6) Any person aggrieved by a summary conviction under this Act may appeal to a Court of Quarter Sessions.

This Act shall extend to Scotland, subject to the following modifications:—

Application to Scotland (Section 3). (1) Section 2 shall not extend to Scotland; (2) In Scotland all offences which are punishable under this Act on summary conviction shall be

prosecuted before the sheriff in manner provided by the Summary Jurisdiction (Scotland) Acts.

(1) This Act may be cited as the Prevention of Corruption

Short Title Act, 1906.

**and Com-
mencement** (2) This Act came into operation on the
(Section 4). first day of January, 1907.

Those who have taken the trouble to read the foregoing pages upon legal matters will doubtless arrive at the conclusion that Acts of Parliament are not always easy to interpret. Yet it has been deemed inadvisable to attempt a popular interpretation, for what is known as popular law is considered to be often unreliable and therefore misleading. It has seemed preferable to let the Acts for the most part speak for themselves. With the aid of the references to the sections and the marginal notes, which should be read together with the text, the student will be able to draw his own conclusions with more or less certainty. It will be observed that the above observations have not been burdened with what is called "case law," for to have done so efficiently would inevitably have increased their bulk enormously, and so required us to travel far beyond the province of this small treatise. Should an explanation of the decisions of the Courts be desired, the student should refer to the text books on the special subjects: but this we may say, in passing, is rather the work of the lawyer than of the layman.

In conclusion, we much regret the necessary incompleteness of the above comments, but we hope that a careful perusal of them, such as they are, will enable the reader to understand more clearly the Acts of Parliament which we have endeavoured to explain. If this is so, we shall think that we have achieved a somewhat difficult task.

STUDENTS' NOTES.

LEGAL MATTERS.

Supplementary Additions,

BY

The Editor.

CHAPTER XLIV.

National Insurance Act.

(1 and 2 Geo. V., c. 55.)

PART I.—HEALTH INSURANCE.

Subject to the provisions of this Act, all persons of the age of 16 and upwards who are employed within the meaning of this part of this Act shall be, and any such persons who are not so employed but who (Section 1). possess the qualifications hereinafter mentioned may be, insured in manner provided, and all persons so insured (afterwards called "insured persons") shall be entitled in the manner and subject to the conditions provided, to the benefits in respect of health insurance and prevention of sickness conferred by this part of this Act.

The persons employed within the meaning of this Act (employed contributors) shall include all persons of either sex, whether British subjects or not, who are engaged in any of the employments set forth in Part I. of the first schedule to the Act, viz.:—

- (a) Employment in the United Kingdom under any contract of service or apprenticeship paid by the employer or some other person or persons.
- (b) Employment as master or a member of the crew of any ship registered in the United Kingdom.
- (c) Employment as an outworker, unless excluded by a special order by the Insurance Commissioners.
- (d) Employment in plying for hire with any vehicle or vessel the use of which is obtained from the owner thereof under any contract of bailment.

Provision is made for voluntary contributors, which include all persons who either—

Voluntary Contributions Defined.

(a) Are engaged in some regular occupation and are wholly or mainly dependent for their livelihood on the earnings derived by them from that occupation ; or,

(b) Have been insured persons for a period of five years or upwards : provided always that no person whose total income from all sources exceeds one hundred and sixty pounds a year, unless previously insured under this Act for not less than five years.

Persons of the age of 65 or upwards shall not be required to become so insured.

Where any person employed proves that he is either—

Exemptions. (Section 2)

(a) In receipt of any pension or income of the annual value of £26 or upwards, not dependent upon his personal exertions ; or,

(b) Ordinarily and mainly dependent for his livelihood upon some other person, shall be entitled to a certificate exempting him from the liability to become or to continue to be insured.

All claims for exemption shall be made to, and certificates granted by, the Insurance Commissioners, unless provision is made by them for approved societies or local Health Committees to carry out the work.

Persons engaged in any of the following employments are not included in the compulsory insurance :—

Excepted Employments. (First Schedule, Part 2).

(b) Employment under the Crown or any local or other public authority where the Insurance Commissioners certify that the terms of the employment are such as to secure provision in respect of sickness and disablement on the whole not less favourable than the corresponding benefits conferred by Part I. of this Act.

- (c) Employment as a clerk or other salaried official in the service of a railway or other statutory company wherein provision in respect of sickness and disablement are not less favourable than the corresponding benefits conferred by this Act, and the person so employed is entitled to rights in a superannuation fund established by Act of Parliament for the benefit of such persons.
- (d) Employment as a teacher to whom the Elementary School Teachers' Superannuation Act, 1898, or Education Act, 1908 (Scotland), or National School Teachers Act, 1870 (Ireland), applies.
- (e) Employment as an agent paid by commission or fees, or a share in the profits, or partly in one and partly in another such ways, where the person is mainly dependent for his livelihood from some other occupation, or where he is ordinarily employed as such an agent by more than one employer.
- (f) Employment in respect of which no wages are paid where the employer is the occupier of an agricultural holding—children of, or persons maintained by the employer.
- (g) Employment otherwise than by way of manual labour at a rate exceeding one hundred and sixty pounds a year, or part-time service if equivalent to that rate for whole-time service.
- (h) Employment of a casual nature otherwise than for the purposes of the employer's trade or business.
- (i) Employment of any class which may be specified in a special order as being of such a nature that it is ordinarily adopted as subsidiary employment only, and not as the principal means of livelihood.
- (j) Employment as an outworker where the person so employed is the wife of an insured person and is not wholly or mainly dependent for her livelihood on her earnings.

- (k) Employment in a fishing vessel where the crew are remunerated by shares in the profits, &c., if a special order is made by the Insurance Commissioners.
 - (l) Employment in the service of the husband or wife of the employed person.

The funds providing the benefits and defraying administration expenses shall be derived as to seven-ninths (or, in

Contributions. (Section 3.) the case of women, three-fourths) from contributions by employés or their employers, the remaining two-ninths (women, one quarter) from moneys provided by Parliament.

The contributions payable in respect of employed contributors shall be at rates specified hereinafter, and shall be payable

Rates and Rules for Contributions. (Section 4, Second and Third Schedule). at weekly or other prescribed intervals. Provided that an employed contributor of the age of 21 or upwards whose remuneration does not include the provision of board and lodging by the employer, and the wages do not exceed two shillings a working day, such part of the contributions payable in respect of him as specified in Part I. of the second schedule shall be paid out of moneys provided by Parliament.

SECOND SCHEDULE.—PART I.

Employed Rates of Contributions.

In the case of men. 7d. a week, the State 2d. = 9d.
 " women, 6d. " " 2d. = 8d.

Contributions by Employers and Employed Contributors.

To be paid by the employer 3d. a week.
" " contributor.... Men, 4d. "
" " Women, 3d. "

In the case of employed contributors of either sex of the age of 21 or upwards, and who are not provided with board

and lodging, whose remuneration does not exceed 2s. 6d. a working day, the following shall be the rates of contribution :—

Men.

Wages or other remuneration.	Employer.	Contributor.	State.
Not exceeding 1s. 6d.	.. 6d.	.. —	.. 1d.
„ 2s. od.	.. 5d.	.. 1d.	.. 1d.
„ 2s. 6d.	.. 4d.	.. 3d.	.. —

Women.

„ 1s. 6d.	.. 5d.	.. —	.. 1d.
„ 2s. od.	.. 4d.	.. 1d.	.. 1d.
„ 2s. 6d.	.. 3d.	.. 3d.	.. —

PART II.

Employed Rate in Ireland.

Men	5½d. per week.
Women	4½d. „

Contributions by Employers and Employed Contributors.

To be paid by the employer	2½d. per week.
„ „ contributor Men. 3d.	„

Women, 2d. „

When wages or other remuneration, without board and lodging, does not exceed 2s. 6d. a working day, the following rates are obligatory :—

Men.

Wages per day.	Employer.	Contributor.	State.
Not exceeding 1s. 6d.	.. 4½d.	.. —	.. 1d.
„ 2s. od.	.. 4d.	.. 0½d.	.. 1d.
„ 2s. 6d.	.. 3½d.	.. 2d.	.. —

Women.

„ 1s. 6d.	.. 3½d.	.. —	.. 1d.
„ 2s. od.	.. 3d.	.. 0½d.	.. 1d.
„ 2s. 6d.	.. 2½d.	.. 2d.	.. —

The employer shall, in the first instance, pay both the contributions payable by himself and the employed contributor, and shall be entitled to recover by deduction from wages in accordance with the rules set out in the third schedule.

During sickness or disablement the employer shall not be liable to pay any contributions either on his own behalf or that of the contributor.

Where the contributor is employed by more than one employer in any calendar week, the first person employing him shall be deemed the employer for the purposes of these provisions.

The Insurance Commissioners may by regulations provide that in the case of outworkers the contributions to be paid may be determined by reference to the work actually done, instead of the weeks in which work is done.

Contributions shall cease to be payable at 70 years of age.

A voluntary contributor below the age of 45, entering **Voluntary Contributions—Rules and Rates.** into insurance six months after the commencement of this Act, shall contribute at the employed rate; if he is 45 or over, the rates (Section 5). shall be ascertained according to a table prepared by the Insurance Commissioners.

Where a person, having been an employed contributor for five years or upwards, becomes a voluntary contributor, the rate of contribution payable by him shall continue to be the employed rate.

Change from Voluntary Rate to Employed Rate and vice-versa. Notice in the prescribed manner shall be given where a voluntary contributor wishes to be transferred to the employed rate; sickness benefit, however, shall be at such reduced rates as may be determined by tables prepared by the Insurance Commissioners. (Section 6).

If within five years from entry an employed contributor

ceases to be employed, he may become a voluntary contributor by paying the full rate of contributions.

Section 7 deals with the regulations for the payment of contributions by means of stamps, &c., entry upon books or cards, and replacement of those destroyed, lost, or defaced.

The benefits conferred by this Act upon insured persons are—

- Benefits.** (Section 8).
- (a) Medical treatment and attendance, including the provision of proper and sufficient medicines, and such medical and surgical appliances as may be prescribed by the Insurance Commissioners. (Medical benefit.)
 - (b) Treatment in sanatoria or other institutions or otherwise when suffering from tuberculosis or such other diseases as the Local Government Board, with the approval of the Treasury, may appoint. (Sanatorium benefit.)
 - (c) Periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement, of which notice has been given, commencing from the fourth day after being so rendered incapable of work, and continuing for a period not exceeding 26 weeks. (Sickness benefit.)
 - (d) In the case of the disease or disablement continuing after the determination of sickness benefit, periodical payments so long as so rendered incapable of work. (Disablement benefit.)
 - (e) Payment in the case of the confinement of the wife or, where the infant is a posthumous child, of the widow of an insured person, or of any other woman who is an insured person, of a sum of 30s. (Maternity benefit.)

(f) Further benefits as mentioned in Part II. of the fourth schedule. (Additional benefits.)

RATES OF BENEFITS.—PART II.

Rates of Benefits.

(Fourth Schedule,
Parts I., II.,
and III.).

Ages 21 to 70 or 16 to 21 if with dependents.	Sickness Benefits (Men ... 10/- weekly. for 26 weeks. { Women 7/6 .. Disablement Benefit, Men and Women 5/- ..
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Table A.—Ordinary Rates.

Table B.—Reduced Rates for Unmarried Minors (without dependents).

Ages 16 to 21	Sickness Benefits, for first 13 weeks.	Males 6/- weekly Females ... 5/- ..
	Sickness Benefits, for second 13 weeks.	{ Males 5/- .. Females ... 4/- ..
	Disablement Benefit, for Females	4/- ..

Table C.—Reduced Rates for Persons over 50 in certain cases.

Where the person is over 50 and under 60 at the time of becoming an employed contributor.

For men, 26 weeks	7/- weekly.
For women, 26 weeks.....	6/- ..

If over 60..... For both men and women, 6/- per week for the first 13 weeks and 5/- per week during second 13 weeks.

Table D.—Rates and Conditions for Married Women.

Sickness Benefit:—First 13 weeks, 5/- per week.
Second , , 3/- " "

Disablement Benefit, 3/- per week.

Sickness and disablement benefit shall not be payable during the two weeks before and four weeks after confinement, except in respect of a disease neither directly or indirectly connected with childbirth.

ADDITIONAL BENEFITS.- -PART II.

- (1) Medical treatment and attendance for dependents.
- (2) Payments for dental treatment.
- (3) An increase of sickness or disablement benefit in certain cases.
- (4) Earlier payment of sickness benefit than from the fourth day.
- (5) The payment of disablement allowance to members though not totally incapable of work.
- (6) An increase of maternity benefit.
- (7) Allowances during convalescence.
- (8) The building, leasing, and maintenance of suitable convalescent homes.
- (9) Additional old age pensions to the Pensions Act, 1908.
- (10) The payment to superannuation funds in which members are interested.
- (11) Payments to members in distress and remission of arrears.
- (12) Payments for the personal use of a member who, by reason of being an inmate of a hospital or other institution, is not in receipt of sickness or disablement benefit.
- (13) Payments to members not allowed to attend work on account of infection.
- (14) Repayment of the whole or any part of contributions thereafter payable.

PART III.

Benefits to Married Women who do not become Voluntary Contributors at Reduced Rates.

Payment of the sum of 5s. per week on confinement during a period not exceeding four weeks on any one occasion.

Payments during sickness or distress, subject to regulations made by the Insurance Commissioners and to the discretion of the society or committee administering the benefit.

Benefits shall cease at 70 years of age.

No insured person shall be entitled to any benefit during any period when he is resident either temporarily or permanently outside the United Kingdom. Temporary residents in the Isle of Man or the Channel Islands shall be entitled to benefits other than medical benefit. Maternity benefit, in any case, shall be paid if the wife at the time of her confinement is resident in the United Kingdom.

Benefits Continued. (Section 8).

Recurrence of illness shall be deemed a continuation of the previous illness, unless in the meantime a period of at least twelve months has elapsed.

Medical benefit shall not be included in respect of a confinement.

No insured person shall be entitled—

- (a) To medical benefit during the first six months after the commencement of this Act.
- (b) To sickness benefit until at least 26 weekly contributions have been paid.
- (c) To disablement benefit until 124 weekly contributions have been paid.
- (d) To maternity benefit 26, or in the case of a voluntary contributor 52, weeks have elapsed, and payments made accordingly.

Sums credited to approved societies as reserve values shall lead to extended benefits in such manner as Parliament may determine.

**Reduced Rates
of Benefits
where Con-
tributions are
in Arrear.
(Section 10,
Schedule 5).**

Reduction or postponement of sickness benefit and where contributions are in arrear.

TABLE.

(1)

(2)

Where the Arrears amount to	Rates of Sickness Benefit.	
	Men.	Women.
(1) 4 contributions a year on average	9 6	7 3
(2) 5 " " "	9 0	7 0
(3) 6 " " "	8 6	6 9
(4) 7 " " "	8 0	6 6
(5) 8 " " "	7 6	6 3
(6) 9 " " "	7 0	6 0
(7) 10 " " "	6 6	5 9
(8) 11 " " "	6 0	5 6
(9) 12 " " "	5 6	5 3
(10) 13 " " "	5 0	
5/- commencing 5th day after commencement of illness.		
(1) For both men and women		
(2) " " " "	" " 6th	"
(3) " " " "	" " 7th	"
(4) " " " "	" " 8th	"
(5) " " " "	" " 9th	"
(6) " " " "	" " 10th	"
(7) " " " "	" " 11th	"
(8) " " " "	" " 12th	
(9) " " " "	" " 13th	
(10) " " " "	" " 14th	

Where an insured person, a member of an approved society, is in arrear more than 13 weeks average per annum all excepting medical, sanatorium, and maternity benefits shall be suspended; whilst arrears averaging 26 weekly contributions, in addition to the suspension of those benefits, at the expiration of a calendar year, any sums credited to the society in respect of him, if his right to benefits still continues to be suspended, shall be carried (except reserve

values) to the benefit of the society, or any other society to which such person may subsequently be transferred ; provided that if at any time after suspension he becomes employed, he shall be entitled to those benefits at such rate, after the lapse of such time and after the payment of such number of contributions, as would have been applicable to his case had he not been an insured person, but if he so elects the benefits to which he is entitled shall be such as he would be entitled to were the period from the original entry into insurance taken as a whole.

Voluntary contributors in arrears shall be subject to a proportionate reduction of benefits.

In calculating arrears of contributions, no account shall be taken of any arrears accruing—

- (a) During any period when the person in question has been in receipt of sickness or disablement benefit ; or
- (b) In the case of a woman who, being an insured person, is herself entitled to maternity benefit during two weeks before and four weeks after her delivery, or in the case of maternity benefit payable in respect of the posthumous child of an insured person during the period subsequent to the father's death ; or
- (c) In the case of an employed contributor during the first twelve months after the commencement of the Act.

Arrears paid in the current year shall be treated as if the arrears had never become due, subject to certain provisions.

Any approved society may excuse any part of the arrears during a period of unemployment not exceeding such part as would have been payable by the employer had the member continued in his last employment.

Where an insured person has received or recovered, or is entitled to receive or recover, whether from his employer or

**Provisions in
the case of
Contributors
Entitled to
Compensation
or Damages.
(Section 11).**

any other person, any compensation or damages under the Workmen's Compensation Act, 1906, or any scheme certified thereunder, or under the Employers' Liability Act, 1880, or at common law, in respect of any injury or disease, the following provisions shall apply :—

- (a) No sickness benefit or disablement benefit shall be paid to such person in respect of that injury or disease in any case where any weekly sum or weekly value of any lump sum paid or payable by way of compensation or damages is equal to or greater than the benefit otherwise payable to such person, where any such weekly sum or value is less than the benefit in question, such part shall be paid to equal the benefit payable.
- (b) The weekly values aforesaid may be determined by the approved society, but if the insured person is aggrieved, the matter shall be settled in manner provided for settling disputes between insured persons and societies.
- (c) Where an agreement is made as to the amount of such compensation as aforesaid, and the amount is less than 10s. per week, or as to the redemption of a weekly payment by a lump sum under the Workmen's Compensation Act, 1906, the employer shall, within three days thereafter, send to the Insurance Commissioners, or to the society concerned, notice in writing of such agreement, giving the prescribed particulars thereof.

Where an insured person appears to be entitled to any such compensation or damages as aforesaid, and unreasonably refuses or neglects to take proceedings to enforce his claim, it shall be lawful for the society or committee concerned, either at its own expense to take proceedings and act as trustee in the amount recovered, or withhold payment of any

benefits. The society to bear cost of such proceedings, and nothing shall prevent the society or committee from paying benefits in advance pending the settlement of the claim, such advances to be recoverable by deductions from or suspension of benefits which may subsequently become payable to such person.

No payment shall be made on account of sickness, disablement, or maternity benefit to or in respect of any person

Provisions in case of Contributors who are Inmates of Hospitals, &c. (Section 12). during any period when the person is an inmate of any workhouse, hospital, asylum, convalescent home, or infirmary, supported by any public authority, or public funds, or charity, or voluntary subscriptions, or of a sanatorium or similar institution approved under this part of this Act. During such period the sum which would otherwise have been payable on account of any such benefit to or in respect of such person shall be applied wholly or in part to the relief or maintenance of his dependents, if any, as the society or committee think fit ; or if such person is an inmate of a sanatorium or similar institution, and has no dependents, shall be paid to the Insurance Committee towards the general purposes thereof ; or if an inmate of a hospital, asylum, convalescent home, or infirmary, shall, if an agreement has been made, be paid in whole or part towards the maintenance thereof.

Sickness, disablement, and maternity benefits shall be administered by approved societies in the case of insured

Administration of Benefits. (Section 14). persons, and by the Insurance Committees in other cases ; medical and sanatorium benefits by and through the Insurance Committees.

Special rules are required to be adopted by approved societies.

Every Insurance Committee shall, for the purpose of administering medical benefit, make arrangements with

Medical Benefit. (Section 15). duly qualified medical practitioners in accordance with regulations made by the Insurance Commissioners.

Subject to the satisfaction of the Insurance Commissioners, the Insurance Committees shall make arrangements to provide sanatorium or other treatment for tuberculosis patients, with persons or local authorities (other than Poor Law) in institutions approved by the Local Government Board.

Administration of Sanatorium Benefit. (Section 16.) An insured person can only be so treated on the recommendation of the Insurance Committee; it may also extend sanatorium treatment to dependents. (See section 17.)

Approved Societies. (Section 23.) Any society, corporate or incorporate (not being a branch of any such body), registered or established under any Act of Parliament, or by Royal Charter, or having a constitution which complies with the requirements of this Act, may be approved by the Insurance Commissioners, provided a separate section consisting of insured persons be formed. No society shall receive approval unless it satisfies the following conditions :—

- (1) It must not be a society carried on for profit.
- (2) Its constitution must provide for its affairs being subject to the absolute control of its members.
- (3) Honorary members shall be excluded from voting on all matters arising under this part of this Act.

Where a society consists of persons entitled to rights in a superannuation or other provident fund established for the

Special Provisions for Employers' Provident Funds, &c. (Section 25.) benefit of persons employed by one or more employers, the society may be approved, notwithstanding that the employer is entitled to representation on the committee administering the fund, to an extent not exceeding one quarter of the total number of the body, if the employer, in addition to the employer's contributions payable by him under this Act, is responsible for the solvency of the fund, or for the benefits payable thereout. Its constitution must, however, provide for the transfer of members to another approved society, and must not refuse to allow a member to remain

who is discharged from or leaves the employment of the employer being unable to obtain admission to another approved society through ill-health. Election of committees must be by ballot, and membership of the approved society shall not be made a condition of employment.

Sections 26 to 41 deal with security to be given by approved societies, internal government, secessions, dissolution, withdrawal of approval, membership, transfers, accounts, valuations, surplus, deficit, pooling, branches, separation of funds, &c., in connection with the administration by societies or committees.

Until 1st January, 1915, insured persons who have not joined an approved society within the prescribed time, or **Deposit Contributors.** who, having been members of an approved society, have been expelled or have resigned (Section 42), therefrom and have not joined another approved society, the following provisions shall apply :—

- (1) Contributions of a deposit contributor shall be credited to a special fund to be called the Post Office Fund.
- (2) Sickness, disablement, or maternity benefits shall be provided out of moneys standing to his credit, and when this fund is exhausted those benefits shall be suspended ; he shall, however, be entitled to medical and sanatorium benefit until the expiration of the current year, the Insurance Committee having power to extend the period if funds are available.
- (3) Apportionment of administration charges.
- (4) Amount payable in respect of each deposit towards cost of medical benefit.
- (5) Insufficient funds to meet certain benefits and administration expenses at the commencement of each year disentitles to any benefits unless the Insurance Committee otherwise consents.

- (6) In the case of death, four-sevenths (a woman one-half) of the amount standing to his credit shall be paid to his nominee, or to the person otherwise entitled to receive the money under sections 56 to 61 of the Friendly Societies Act, 1896.
- (7) Return of amounts as above to a deposit contributor who has permanently ceased to reside in the United Kingdom.

A member of an approved society ceasing to be a member of that society, and failing within the prescribed time to become a member of another approved society.

Transfers from Approved Society to Deposit Insurance and vice-versa. (Section 43). (a) becomes a deposit contributor with transfer values carried to his credit in the Post Office Fund ; (b) if he does not become a deposit contributor, his transfer value shall be dealt with in such manner as may be prescribed.

On the other hand, a deposit contributor may become a member of an approved society ; in which event money standing to his credit in the Post Office equal to the amount estimated on the assumption that he had been an approved member since his entry into insurance shall be transferred to the society ; if that amount is less than such value, the deficiency shall be counted as arrears.

These refer to special provisions with respect to married women ; as to aliens ; persons in the naval and military service of the Crown.

In accordance with the practice or custom which prevails in certain localities where full or part remuneration is given

Special Provisions where Employer is Liable to Pay Wages during Sickness. (Section 47) Curing periods of disease or disablement. the Insurance Commissioners shall make special orders as appear necessary for adapting the other provisions of this Act to cases under this section. The employer shall give notice to the Insurance Commissioners accepting such liabilities, subject to the modifications hereinafter mentioned.

Clause 3 stipulates that the employer shall be liable to pay full remuneration to every such person during any period or periods not exceeding six weeks in the aggregate in any one year during which such person may be suffering from any disease or disablement commencing while such person is in his employment, notwithstanding such person may have left his employment before the expiration of that time; provided that if any such person is engaged for a term not less than six months certain, the employer shall be liable to pay full remuneration during any period lasting less than six weeks, and for the first six weeks of any period lasting more than six weeks, notwithstanding that the aggregate exceeds six weeks, but where any such period extends beyond the term of the engagement the employer shall not be liable to make any payment after the expiration of such term.

This part of the Act is subject to the following modifications:—

(a) Sickness benefit shall not be payable in respect of any period during which full remuneration is payable by the employer.

(b) The employed rate shall be reduced by 2d. (women, 1½d).

(c) Divided as follows:—

Employer—Males, 1d.; females, ½d.

Contributor—Males, 1d.; females, 1d.

(d) The amount of the difference in the contributions thus created shall be treated as having been expended on sickness benefit, and the proper proportion thereof shall be paid out of moneys provided by Parliament.

(e) Contributions shall not be payable during the period of full remuneration being given.

Where a person becomes temporarily unemployed, paragraphs (b) and (d) of the foregoing section shall continue to apply in respect of him, and sickness benefit shall not be

payable in respect of the first six weeks of any period of disease or disablement.

An employer, by giving three months' notice to the Insurance Committee may withdraw his notice as from the commencement of the next calendar year, and in such case, as from that date, this section shall cease to apply in respect of the persons employed by him in the class of employment to which the notice of withdrawal relates.

None of the provisions of this section shall apply as respects any person employed at a rate of remuneration which is less than 10s. a week.

Nothing in this section shall relieve any employer from any legal liability to pay wages during sickness to any person employed by him in accordance with any established custom.

Special provisions as to the mercantile (Section 48). marine are contained in section 48.

On behalf of a person of the age of 65 and under 70 at the commencement of this Act, the sum of 2d., in addition to

Persons over 65. the ordinary weekly contributions of employer and contributor, shall be provided by Parliament, and if he is a member of an approved society he shall become entitled to such benefits as the society may determine; otherwise, as a deposit contributor, such benefits shall be determined by the Insurance Committee.

Where it is proved that a trade is of a seasonal nature, and subject to periodical fluctuation, the Insurance Commissioners may make a special order reducing the employed rate and the contributions payable by employers and contributors to such extent and for such period in the year as may be specified in the order, and increasing such rate to a corresponding extent during the remainder of the year.

In section 51 special provisions are made for inmates of charitable homes, &c.; section 52, as to persons becoming

(Sections 51 to 60). certified teachers ; section 53, other persons in the service of the Crown ; sections 54, 55, and

56, financial provisions, and transactions between the Insurance Commissioners and societies. Advisory Committees are set up under 57 and 58 ; whilst the appointment of Insurance Committees and their powers and duties are delineated in 59 and 60.

Where it is alleged that sickness is excessive, and that such sickness is due to the conditions or nature of employ-

Excessive Sickness. (Section 63). ment, or to bad housing, insanitary conditions, insufficient or contaminated water supply, or the neglect of any person or authority to observe or enforce the provisions of any Act relating to the health of workers in factories, workshops, mines, quarries, or other industries, or public health, or the housing of the working classes, the Commissioners, or society, or committee making such allegation may send to the person or authority alleged to be in default a claim for the payment of the amount of any extra expenditure alleged to have been incurred by reason of such cause as aforesaid. If they fail to arrive at any agreement, the Secretary of State or Local Government Board may appoint a competent person to hold an inquiry.

Any sum of money available for providing grants in aid to sanatoria and other institutions for the treatment of

Provision of Sanatoria, &c. (Section 64). tuberculosis or such other diseases as may be determined, the Local Government Board, with the approval of the Treasury, on consultation with the Insurance Commissioners, may make grants for those purposes, provided that such sum shall be apportioned between England, Wales, Scotland, and Ireland in proportion to their respective populations based on the census returns taken in 1911.

The Insurance Commissioners may make regulations subject to certain restrictions under section 65 ; while

(Sections 65 to 68). sections 66 and 67 give them power to determine questions and settle disputes. In section

68 protection against distress and execution is given in certain cases.

If for the purpose of obtaining any benefit or payment or the crediting of a reserve value under this part of the Act,

Offences. either for himself or for any other person, any (Section 69). person knowingly makes any false statement

or false representation, he shall be liable on summary conviction to imprisonment for a term not exceeding three months, with or without hard labour.

If any employer has failed to pay any contributions in respect of an employed contributor, or any insured person is guilty of any other contravention of or non-compliance with any of the requirements of this part of the Act or the regulations made thereunder, in respect of which no special penalty is provided, he shall for each offence be liable on summary conviction to a fine not exceeding £10.

Where an employer has failed to pay any contributions by which a person has been deprived in the whole or part of his right to any benefits due to him, he shall be entitled to take proceedings against the employer for the value of his deprived rights. These proceedings may be taken in addition to those of the previous section.

If a person has been in receipt of any payment or benefit without being lawfully entitled thereto, he, or his personal

Repayment of Benefits Improperly Paid. (Section 71). relatives shall in case of death be liable to repay to the Insurance Commissioners such amount, which may be recovered as a debt to the Crown and carried to the credit of the approved society, or to the Post Office Fund.

Provisions as to application of existing funds (Section 72). of friendly societies.

Provisions as to existing employers' provident funds. (Section 73).

Section 74, as to minors ; 75, power for societies to register under Friendly Societies Act, 1896 ; 76, application of Acts of Parliament to approved societies ;
 (Sections 74 to 83). 77, powers of the Local Government Board ; 78, power to remove difficulties ; 79, interpretations ; 80, application to Scotland ; 81, application to Ireland ; 82, establishment of Commissioners for Wales ; 83, Joint Committee of Commissioners.

PART II.

UNEMPLOYMENT INSURANCE.

Every workman employed in the building trades, construction of works, railroads, docks, &c., shipbuilding, mechanical engineering, ironfounding, construction of vehicles, sawmilling, who may become unemployed, in whose case the statutory conditions are fulfilled, shall be entitled to receive payments (unemployed benefit) at weekly or other prescribed intervals, at such rates and for such periods as are authorised by or under the seventh schedule, provided that unemployment benefit shall not be paid in respect of any period which occurs during the six months following the commencement of this Act.

In respect of each week following the first week of any period of unemployment, seven shillings, or any such rates as may be prescribed either generally or for any particular trade or any branch thereof : provided that, in the case of a workman under (7th Schedule), the age of 18, no unemployment benefit shall be paid while the workman is below the age of 17, while between the ages of 17 and 18 half the rate would be payable.

No workman shall receive more unemployment benefit than in the proportion of one week's benefit for every five contributions paid by him under this Act, provided that—

Right of Workmen in Insured Trades to Unemployment Benefit. (Section 84 and 6th Schedule).

Rates and Period of Unemployment Benefit. (7th Schedule).

- (a) A workman satisfies the Board of Trade that he is over 21 years of age and has habitually worked at an insured trade before the commencement of this Act, there shall be deemed to be added to the number of contributions which he has actually paid five contributions for each period of three months up to a maximum of 25 contributions, and
- (b) Where, owing to the fact that the wages or other remuneration of a workman are paid at intervals greater than a week, or for any other like reason contributions are paid under Part II. of this Act, that workman shall be entitled to treat each of such contributions as so many contributions as there are weeks in the period for which the contribution has been paid.

A period of unemployment shall not be deemed to commence till the workman has made application for benefit in the manner prescribed.

The power conferred by this schedule on the Board of Trade to prescribe rates, &c., shall not be exercised so as to increase the rate of benefit above 8s. per week or to reduce it below 6s. per week, or to increase the period of unemployment benefit above 15 weeks, or to alter the proportion of benefits to contributions paid, except by rules confirmed in accordance with the provisions relating to special orders.

The sums required for the payment of unemployment benefit shall be derived partly from contributions by workmen in the insured trades, partly from contributions by employers (Section 85 and Schedule 8) of such workmen, and partly from moneys provided by Parliament.

Rates of Contributions from Workmen and Employers.

Workman 2½d. per week.

Employer 2½d. ,,

(To which the State adds 1½d. ,, being $\frac{1}{3}$ of total).

Youths under 18 1d. per week.

Employer 1d. ,,

For the purpose of reckoning the number of contributions in respect of such a workman, except as regards the payment of unemployment benefit before he reaches the age of 18, the 1d. shall be treated as $\frac{1}{2}$ ths of a contribution.

Each such period of employment of less than a week shall be treated as if it were employment for a whole week, except that, where the period of employment is two days or less, the contributions of employer and workman shall be reduced to 1d. if the period does not exceed one day, and to 2d. if it exceeds one day, which, reckoning the number of contributions at such reduced rates, shall be treated as $\frac{1}{2}$ ths and $\frac{1}{4}$ ths respectively.

The employer, in the first instance, shall pay such contributions, which shall be recoverable by deductions from wages, or other payment due from him to the workman.

The employer shall not be entitled to deduct from wages, or otherwise recover by any legal process, the contributions payable by himself.

The Board of Trade may make such regulations as may be deemed necessary for the collection of contributions, by stamps affixed or impressed upon cards, or the issue, sale, custody, production, and delivery of same.

(1) That he proves he has been employed as a workman in an insured trade in each of not less than 26 separate calendar weeks in the preceding five years.

**Statutory
Conditions
for Receipt of
Unemployment
Benefit.**
(Section 86). (2) That he has made application for unemployment benefit in the prescribed manner, and proves that he has since been continuously unemployed.

(3) That he is capable of work, but unable to obtain suitable employment.

(4) That he has not exhausted his rights to such benefits.

Provided that he has failed to fulfil those conditions by reason only that he has declined—

- (a) An offer of employment in a situation vacant in consequence of a stoppage of work due to a trade dispute; or
- (b) An offer of employment where the rate of wage is lower or the conditions less favourable than those which he has habitually obtained; or
- (c) An offer of employment at rates less favourable than those generally observed in such district by agreement between associations of employers and of workmen, or, failing any such agreement, than those generally recognised in such districts by good employers.

(1) Except in the case where a workman has, during the stoppage of work, become *bona-fide* employed elsewhere in an insured trade, he shall be disqualified for receiving unemployment benefit if the stoppage is due to a trade dispute at the factory, workshop, or other premises at which he was employed.

Disqualification for Unemployment Benefit. (Section 87).

Where separate branches of work are carried on in the same or separate premises, each of those departments shall be deemed a separate factory or workshop as the case may be.

(2) A workman who loses his employment through misconduct, or who leaves without just cause, shall be disqualified for six weeks from the date when he so lost employment.

(3) A workman shall be disqualified for receiving unemployment benefit whilst he is an inmate of any prison, workhouse, or other institution supported out of public funds, and whilst he is resident outside the United Kingdom.

(4) A workman shall be disqualified also while in receipt of any sickness or disablement allowance under Part I. of this Act.

Where unemployment benefit is refused or stopped, or where the amount of benefit allowed is not in accordance

Determination of Claims. with this part of the Act, the workman may require the insurance officer to report the (Section 88). matter to a Court of Referees ; if the insurance officer disagrees with the recommendation of the latter, the whole matter shall be placed before the Umpire, whose decision shall be final.

The insurance officer, when he considers it expedient to do so, may refer any case to a Court of Referees, who shall determine the question ; such decision to be final and conclusive.

New facts may lead to a revision.

The Arbitration Act, 1889, shall not apply to proceedings under this section, except so far as it may be applied by regulations under this part of the Act.

Regulations may apply to all or any of the provisions of the Common Law Procedure (Ireland) Act, 1856, with respect to arbitration.

An Umpire may be appointed by His Majesty, and insurance officers shall be appointed by the **Umpires, &c.** Board of Trade, subject to the consent of the (Section 89). Treasury as to number.

A Court of Referees shall consist of one or more members chosen to represent employers, with an equal **Court of Referees.** number of members chosen to represent workmen, and a chairman appointed by the Board (Section 90). of Trade.

Panels of persons chosen shall be constituted by the Board of Trade for such districts and trades as the Board may think fit.

The Board of Trade may make regulations **Regulations.** for any of the purposes under this part of the (Section 91). Act, and the schedules therein referred to.

Section 92 provides that the Unemployment Fund shall be controlled by the Board of Trade ; that the accounts **(Section 92.)** shall be audited by the Comptroller and Auditor-General ; that moneys may be invested by

National Debt Commissioners, who shall give an account thereof to Parliament annually.

(Section 93.) Conditions of advances from the Treasury.

The Board of Trade shall, on the application of any employer made within one month after the termination of

Refund to Employer. (Section 94.) any calendar year, refund to such employer out of the Unemployment Fund a sum equal to one-third of the contributions paid by him in respect of any workman who has been continuously in his service and in respect of whom not less than 45 contributions have been paid during that period.

The Board of Trade may apply the provisions of this section to any period less than twelve months, subject to such proportionate reduction of the number of contributions as they direct.

Subject to satisfactory proof that contributions in respect of 500 weeks or upwards have been paid, and that the work-

Repayments to Workmen. (Section 95.) man has reached the age of 60, the workman, or in the case of death, his representatives, shall be entitled to be repaid the amount, if any, by which his contributions exceed the amount received out of the Unemployment Fund, together with compound interest at the rate of $2\frac{1}{2}$ per cent per annum.

Repayment to a workman shall not affect his liability to pay contributions, and if, afterwards, he becomes entitled to unemployment benefit, he shall be treated as having paid in respect of the period for which the repayment has been made the full number of contributions which is most nearly equal to $\frac{5}{8}$ ths of the number of contributions actually paid during that period.

Section 96 gives the conditions by which an employer (Section 96.) may secure the refund of contributions paid in respect of working men working short time.

Section 97, saving for occasional employment in rural districts; 98, payment of contributions in case of Reservists

(Sections 97 to 107). or Territorials during training by the Crown ; 99, provisions with respect to workmen engaged through Labour Exchanges ; 100, subsidiary provisions ; 101, offences, and proceedings for recovery of contributions, penalty for false representation either as to payment of contributions or benefits, a term of imprisonment, on summary conviction, not exceeding three months, and a fine, not exceeding £5, equal to three times the amount of contributions which employer or workman has neglected or refused to pay ; 102, after the expiration of seven years the rates of contribution may be raised ; 103, power to extend to other trades ; 104, exclusion of subsidiary occupations ; 105, arrangements with associations of workmen (trade unions) in insured trade who make payments to members whilst unemployed ; 106, repayments to associations that make payments to persons whether workmen in insured trade or not, whilst unemployed ; 107, interpretation and application.

PART III.

GENERAL.

Stamps required for the purposes of this Act shall be prepared and issued in such manner as the Commissioners of Inland Revenue, with the consent of the Treasury, may direct ; and may, with the consent of the Postmaster-General, provide for the sale of such stamps through the post-office.

Provisions as to Stamps. (Section 108).

In granting outdoor relief to a person in receipt of or entitled to receive any benefit under this Act, a Board of Guardians shall not take into consideration any such benefit, except so far as such benefit exceeds 5s. per week.

Outdoor Relief. (Section 109).

All contributions payable in respect of employed contributors four months before the date of the receiving order,

Bankruptcy. or the winding-up order, shall be included
(Section 110). among the debts under the Preferential Payments in Bankruptcy Act, 1888, section 1, and the Companies (Consolidation) Act, 1908, section 209, to be paid in priority to all other debts.

Benefits Every assignment of, or charge on, and every agreement to assign or charge, any of the benefits conferred by this Act shall be void, and on the bankruptcy of any
Inalienable. person entitled to any such benefit shall not (Section 111). pass to any trustee or other person acting on behalf of creditors.

Section 112, powers of inspectors to enter premises ; 113, procedure for making special orders, as adapted by the ninth schedule to this Act, to sections 80 and (Section 112 to 114). 81 of the Factory and Workshops Act, 1901 ; 114, provisions as to birth certificates.

Title and Commencement. This Act may be cited as the National Insurance Act, 1911, and shall come into (Section 115). operation on 15th July, 1912.

CHAPTER XLV.

National Insurance Act, 1913,

(3 and 4 Geo. V., c. 37.)

AMENDMENTS TO THE ACT OF 1911 IN PARTS I. AND III.

This Act amends in several important particulars the National Insurance Act, 1911. Most of its provisions come into operation on 1st September, 1913, but some are deferred to subsequent dates between then and 15th January, 1914.

(1) In addition to the moneys which under Part I. of the National Insurance Act, 1911 (the "principal Act") were provided by Parliament towards defraying the cost of any of the benefits conferred by Part I. of that Act, or the expenses of administration of any of those benefits, there shall be contributed by Parliament towards such costs, expenses and purposes, such additional sums as Parliament may from time to time determine, and the provisions of the principal Act as to the manner in which the cost of benefits and the expenses of administration are to be defrayed shall be construed as applying only to the balance of such costs and expenses after such additional sums have been applied for the purpose for which they have been provided.

Provision of Additional Money by Parliament. (Section 1). (2) Any additional sums so contributed for the purpose of medical benefit shall be applicable towards the payment of medical attendance and treatment of members of societies who are not insured persons mentioned in paragraph (e) of sub-section (2) of section 15 of the principal Act.

(1) If a person not having been previously insured becomes an employed contributor before 13th October, 1913,

Extension of Time for Taking Advantage of the Act. (Section 2). the rate of sickness benefit shall not be reduced because he did not become an employed contributor one year after the commencement of the principal Act, notwithstanding that at the time he is of the age of 17 or upwards, and accordingly sub-section (4) of section 9, and sub-section (5) of section 55 of the principal Act shall be deemed always to have had effect, as if "65 weeks" were therein substituted for "one year."

(2) The period within which a person may enter into insurance as a voluntary contributor at the rate referred to in sub-section (1) of section 5 shall be extended to 12th October, 1913, and accordingly "65 weeks" shall be substituted for six months in the proviso (a) to sub-section (1) of section 5, and sub-section (3) of section 55.

(1) The rate of sickness benefit shall not be reduced in the case of a person who was of the age of 50 or upwards when he became a contributor within one year of the commencement of the principal Act, and accordingly sub-section (3) of section 9, and Table C in Part I. of the fourth schedule shall be repealed.

Abolition of Reduction of Benefits in Certain Cases. (Section 3). (2) Part I. of the principal Act shall apply to persons who were 65 and under 70 years of age, and to persons who have since attained, or may hereafter attain, the age of 65. Sub-section (4) of section 1, paragraph (a), sub-section (4), of section 4, and section 49 shall be repealed.

A person of 65 or upwards at the time of entering shall not be entitled to medical benefit at 70 years of age, unless his weekly contributions exceed 26.

(3) For those transitions the Insurance Commissioners may make such regulations as they consider necessary.

Paragraph (b) of sub-section (3) of section 1 shall have

Insured Persons. effect as if there were added thereto "or, being of the age of 60 or upwards, show to the satisfaction of the Insurance Commissioners that they have (Section 4). ceased to be insurable as employed contributors." Where voluntary contributors become such contributors, they shall contribute the employed rate.

After paragraph (b), sub-section (1) of section 2, add the following :— "(c) Ordinarily and mainly dependent for his Exemptions. livelihood on the earnings derived by him (Section 5). from an occupation which is not employment within the meaning of this part of this Act."

Add to Part I. of the first schedule the paragraph —

"(e) Employment under any local or other Employment. public authority, except such as may be (Section 6). excluded by a special order."

(1) Where a member of an approved society pays any arrears which have accrued during unemployment, the part Arrears of Contributions. which would have been so payable by the (Section 7). employer shall be excused, and the amount of the member's arrears shall be reduced accordingly.

To calculate the parts which would have been payable by an employer and otherwise than by an employer had an employed contributor continued in employment, the rate of his remuneration shall be deemed to exceed 2s. 6d. a working day, unless he proves it to be 2s. 6d. or less.

(2) Where a society proves to the satisfaction of the Insurance Commissioners that the arrears in respect of all its members exceeded the three weekly contributions of every such member during the preceding year, there shall be paid to the society, out of sums retained by the Commissioners for discharging their liabilities in respect of reserve values, the prescribed amount for every week by which the standard was exceeded, but not exceeding the total amount so excused as aforesaid. If the aggregate amount in any

one year exceeds £100,000, the excess shall be provided by Parliament.

Benefits Reduced on Account of Arrears. (Section 8). Subject to sub-section (4), section 10, insured persons in arrears shall be liable to such reduction, postponement, or suspension of benefit approximately equivalent to the value of the loss occasioned by the failure to pay the arrears, and the provisions regulating the reduction, &c., shall cease to have effect, and the Insurance Commissioners may prescribe the time within which arrears may be paid up.

Section 9, under section 4, sub-section (4), extends medical and sanatorium benefits to exempted persons contingent upon 26 weeks' contributions having been paid, though where the income exceeds £160 per annum he shall be required to make his own arrangements for medical treatment. Section 15, sub-section (3), shall apply accordingly. This applies to Ireland with modifications.

Medical Benefit. (Section 10). No voluntary contributor whose income exceeds £160 a year shall be entitled to medical benefit. The weekly contribution payable by him shall be reduced by 1d.

Paragraph (c), section 15, sub-section (2) shall extend to members of societies other than such friendly societies mentioned.

Alternatives for the Panel System. (Section 11) If the Insurance Commissioners are satisfied that the insured persons within an area are not receiving satisfactory medical treatment under the panel system, they may authorise the Insurance Committee to make such other arrangements as will secure such better medical service as is practicable, having regard to the funds available for the purpose.

(r) So much of section 8, sub-section (5), as requires 50

contributions between two periods of disease or disablement shall cease to have effect.

Sickness Benefit. (2) Add at the end of the above sub-section—
(Section 12). “Where by virtue of sub-section (1), section 11, a part only of sickness benefit has been paid to an insured person, he shall be treated as having been in receipt of sickness benefit for a period bearing the same proportion to the whole period as that part bears to the whole benefit, and the period so resulting shall be deemed to have been continuous, and to have expired on the last day of the incapacity in respect of which the partial benefit was paid.”

In paragraph (c), sub-section (1), section 8, substitute “on” for “from,” to read thus: “Commencing on the fourth day of such incapacity,” but a Sunday **Waiting Period.** shall not be so included, unless the incapacitated person would have worked that day.
(Section 13).

Maternity Benefit. Maternity benefit shall in every case be the mother's benefit, but where the benefit is payable in respect of the husband's insurance, the wife's receipt, or his receipt, if authorised by her, on her behalf,
(Section 14). shall be a sufficient discharge to the society, and, where the benefit is paid to the husband, he shall pay it to the wife; and in section 18, sub-section (1), from “treated to member,” substitute “administered in the interests of the mother and child in cash or otherwise by the approved society of which the husband is a member.”

Other amendments follow on section 18, sub-section (1), the principal one being that the fee of a doctor called in to a confinement by a midwife in accordance with the rules under the Midwives Act, 1902, shall be recoverable as part of the maternity benefit, ceases to have effect.

Public Institutions and Benefits. (1) Proviso (1), section 12, sub-section (2), omit. Sums that would have been payable to an inmate of any workhouse, &c., may be applied in the provision of surgical appliances after he ceases to be an inmate, or shall be paid in cash to the person
(Section 15).

after leaving the institution save any sum applied under that section as amended by this section, which shall be treated as a payment in respect of sickness benefit.

Section 16 repeals section 83, sub-section (3), and under certain conditions the valuation of a society shall be inclusive (Section 16). of membership in England, Scotland, Ireland, and Wales, instead of separately as in the principal Act.

Section 17 gives power to the Commissioners to authorise amendments to a society's rules pending (Section 17). adoption by the members.

Section 18 modifies the provisions of section (Section 18). 39 in joining as an approved society.

Section 19 gives power to the Insurance Commissioners (Section 19). to extend the scope of the Act to persons whose employment is of a casual or intermittent nature.

Sections 20 and 21 deal with a woman of British nationality married to an alien, and special provisions Sections 20 and 21. for aliens.

Section 22 extends section 46 to warrant officers of marines, &c. (Section 22).

Section 23 makes it possible for benefits to be paid to dependents of those engaged in the mercantile marine service. (Section 23).

Section 24 defines more clearly section 51, sub-section (1), as to inmates of charitable institutions. (Section 24).

Section 25 permits, subject to the consent of the Insurance Commissioners, an employer to treat all employés as being remunerated at a normal rate within (Section 25). certain defined limits.

Section 26 denominates the employer of any class of outworkers. (Section 26).

Section 27, decision of disputes; 28, extension of Com-

missioners' powers to make regulations ; 29, Joint Committee and Insurance Commissioners : 30, incorporates (Sections 27 to 42). Insurance Committees, and makes it obligatory for at least one woman to be on every sub-committee dealing with the administration of any benefit : 31, allows additional expenses to section 61, sub-section (2), for members of Insurance Committees ; 32, consultation with practitioners who have entered into agreements ; 33, committees elected by persons, &c., supplying drugs and medicines ; 34, other offences and legal proceedings ; 35, section 114, relating to certificates of birth, shall also apply to certificates of marriage ; 36, change of the name from the Post Office Fund to the Deposit Contributors' Fund ; 37, exemption of documents under Part I., schedule 2, from stamp duty ; 38, power to take evidence on oath ; 39, agreements ; 40, extension of time for making orders, &c. ; 41, the provision of institutions for treatment of tuberculosis in Scotland ; 42, special provisions as to Wales.

Short Title. The principal Act and this Act may be cited together as the National Insurance Acts, 1911 to 1913.

ENACTMENTS REPEALED.

Section 1, sub-section (4).

Paragraph (a), section (4), sub-section (4).

Section 8, sub-section (5), part.

Third Schedule. Section 9, sub-section (3).

Section 10, sub-section (6).

Section 12, sub-section (2), proviso (1).

Section 18, sub-section (1), part.

Section 45, sub-section (3).

Section 49.

Table C in Part I. of the fourth schedule.

CHAPTER XLVI.

Trade Boards Act, 1909.

(9 Edw. VII., c. 22.)

I.—(1) This Act shall apply to the trades specified in the schedule to this Act and to any other trades to which it has been applied by Provisional Order of the Board of Trade made under this section.

Certain Trades. **(Section 1).** (2) The Board of Trade may make a Provisional Order applying this Act to any specified trade to which it does not at the time apply if they are satisfied that the rate of wages prevailing in any branch of the trade is exceptionally low, as compared with that in other employments, and that the other circumstances of the trade are such as to render the application of this Act to the trade expedient.

(3) If at any time the Board of Trade consider that the conditions of employment in any trade to which this Act applies have been so altered as to render the application of this Act to the trade unnecessary, they may make a Provisional Order that this Act shall cease to apply to that trade.

(4) The Board of Trade may submit to Parliament for confirmation any Provisional Order made by them in pursuance of this section, but no such Order shall have effect unless and until it is confirmed by Parliament.

(5) If, while a Bill confirming any such Order is pending in either House of Parliament, a petition is presented against

any Order comprised therein, the Bill, so far as it relates to that Order, may be referred to a Select Committee, or, if the two Houses of Parliament think fit so to order, to a Joint Committee of those Houses, and the petitioner shall be allowed to appear and oppose as in the case of Private Bills.

(6) Any Act confirming a Provisional Order may be repealed, altered, or amended by any subsequent Provisional Order made by the Board of Trade and confirmed by Parliament.

Establishment of Trade Boards. (Section 2.) 2.—(1) The Board of Trade shall, if practicable, establish one or more Trade Boards constituted in accordance with regulations made under this Act for any trade to which this Act applies, or for any branch of work in the trade.

Where any trade or branch of work in a trade is carried on to any substantial extent in Ireland, a separate Trade Board shall be established.

General Duties of Trade Boards. (Section 3.) 3.—A Trade Board for any trade shall consider, as occasion requires, any matter referred to them by a Secretary of State, the Board of Trade, or any other Government department, with reference to the industrial conditions of the trade, and shall make a report upon the matter to the department by whom the question has been referred.

Minimum Rates of Wages. (Section 4.) 4.—(1) Trade Boards shall fix minimum rates of wages for time work for their trades (minimum time rates), and may also fix general minimum rates of wages for piecework for their trades (minimum piece rates), and those rates of wages may be fixed so as to apply universally to the trade, or so to apply to any special process in the work of the trade, or to any special class of workers in the trade, or to any special area.

The Board of Trade may relieve the Trade Board of that

duty if in any case they report it is impracticable to fix a minimum time rate.

(2) Before fixing any minimum time rate or general minimum piece rate, the Trade Board shall give notice of the rate which they propose to fix, and consider any objections to the rate which may be lodged with them within three months.

(3) The Trade Board shall give notice of the minimum rates fixed by them.

(4) Power is given to the Trade Board to cancel or vary any rates fixed under this Act, and on direction from the Board of Trade shall reconsider any such minimum, whether an application is made for the purpose or not ; provided the provisions of this section as to notice shall apply.

(5) A Trade Board shall, on the application of any employer, fix a special minimum piece rate to apply as respects the persons employed by him in cases to which a minimum time rate but no general minimum piece rate is applicable, and may, as they think fit, cancel or vary any such rate, either on the application of the employer or after notice to the employer, such notice to be given not less than one month before cancellation or variation of any such rate.

5.—(1) Until a minimum time rate or general minimum piece rate fixed by a Trade Board has been made obligatory by order of the Board of Trade under this **Order giving
Obligatory
Effect to Rates
of Wages.** section, the operation of the rate shall be limited as in this Act provided.
(Section 5).

(2) Upon the expiration of six months from the date on which a Trade Board have given notice of any minimum rate fixed by them, the Board of Trade shall make an order (obligatory order) making that minimum rate obligatory upon employer and employed, unless they are of opinion that the circumstances are such as to make it premature or otherwise undesirable to make an

obligatory order, and in that case they shall make an order suspending the obligatory operation of the rate (order of suspension).

(3) At any time after the expiration of six months an order of suspension may be withdrawn under certain conditions and an obligatory order made.

Penalty for not Paying Obligatory Rates.
(Section 6). 6.—(1) Failure to comply with the obligatory minimum rate, clear of all deductions, shall involve a liability on summary conviction in respect of each offence to a fine not exceeding £20, and to £5 for each day on which the offence is continued after conviction therefor.

(2) The court may by the conviction adjudge the employer convicted to pay, in addition to any fine, such sum as appears to the court to be due to the person employed on account of wages, the wages calculated on the basis of the minimum rate; but the power to order the payment of wages under this provision shall not be in derogation of any right of the person employed to recover wages by any other proceedings.

(3) This sub-section enables the Trade Board to grant to the worker affected with infirmity or physical injury a permit exempting him from the minimum time rate obligatory, and to exempt the employer from liability so long as the conditions prescribed are complied with.

(4) On any prosecution of an employer under this section, it shall lie on the employer to prove by the production of proper wages sheets or other records of wages or otherwise that he has not paid, or agreed to pay, wages at less than the minimum rate.

(5) Any agreement for the payment of wages in contravention of this provision shall be void.

Section 7 describes the limited operation of minimum

rate which has not been made obligatory, and stipulates that a register shall be kept by a Trade Board (Section 7). of any notices given under this section, which shall be open to public inspection free of charge.

Section 8 contains provisions for case of persons employed (Section 8). by piecework where a minimum time rate but no general minimum piece rate has been fixed. (Section 9). Prevention of evasion.

10.—(1) Any worker or any person authorised by a worker may complain to the Trade Board that the wages paid to the worker by any employer in any case to which any minimum rate fixed by the Trade Board (Section 10). is applicable are at a rate less than the minimum rate, and the Trade Board may, if they think fit, take any proceedings on behalf of the worker.

(2) Before taking such proceedings the Trade Board may, and on the first occasion shall, take reasonable steps to bring the case to the notice of the employer with a view to the settlement of the case without recourse to proceedings.

Section 11 defines the constitution and proceedings of Trade Boards; 12, establishment of district trade committees; 13, appointed members (including (Sections 11 to 21). women) of Trade Boards; 14, appointment of officers; 15, powers of officers; 16, officers to produce certificates when required; 17, power to take and conduct proceedings; 18, regulations as to mode of giving notice; 19, regulations to be laid before Parliament; 20, interchange of powers between Government Departments; 21, expenses of carrying Act into effect.

22.—(1) This Act may be cited as the Trade Boards Act, 1909, and
Short Title, &c. (Section 22) (2) Shall come into operation on 1st January, 1910.

SCHEDULE.

- Trades to
which the
Act Applies
without
Provisional
Order.**
- (1) Ready-made and wholesale bespoke tailoring and any other branch of tailoring in which the Board of Trade consider that the system of manufacture is generally similar to that prevailing in the wholesale trade.
 - (2) The making of boxes or parts thereof made wholly or partially of paper, cardboard, chip, or similar material.
 - (3) Machine-made lace and net finishing and mending or darning operations of lace curtain finishing.
 - (4) Hammered and dollied or tommied chain-making.
-

STUDENTS' NOTES.

APPENDIX.

SECTION 1.

APPENDIX No. 1.**EXAMPLE OF A REPORT TO A SUB-COMMITTEE.**

June 10th, 1907.

Grocery Sub-Committee,

Gentlemen,—I have pleasure in reporting that the sales in the Grocery Department are as undernoted :—

	<i>For the Week.</i>		<i>For Nine Weeks.</i>
1907	£4,560	1907	£38,750
1906	4,320	1906	36,930
Increase	£240	Increase	£1,820

With the exception of No. 6 (Millwall Road), each branch shows a satisfactory increase, the slight decline in that branch being entirely due to the disaffection among the workmen at Thompson's mills.

The apprenticeship of Thomas Jones expires on Saturday, and, as he is a capable and steady salesman, I recommend his appointment as journeyman on the society's scale.

The head shopman at No. 4 Branch having reported that J. Headley, third salesman, was unsuitable for his position, I have sent T. Sager of No. 7 Branch in exchange. This matter will again be reported on.

GOODS AND MARKETS.

The Danish butter market shows a decline of 2s. 6d. for next week's arrival. We are getting eighty casks of Danish weekly, besides the usual supplies of Colonial butter.

Hams and bacon are advancing, and we have booked additional quantities in anticipation thereof. We have now as much on hand and to come forward as keep us supplied for six weeks.

Eggs are getting dearer. We are taking a fair proportion each of Danish and Irish eggs. There have been a plentiful supply of Russian eggs on the market, and this has prevented Irish and Danish eggs from rising more quickly in price.

There have been slight variations in the sugar market for this week, but the tendency has been towards a reduction. Some kinds have fallen 1½d. and others 3d. per cwt. We have a fair stock on hand at 4½d. per cwt. less than present quotations.

The Wholesale Society is sold out of several kinds of jelly, but we have secured enough to keep us in stock till the new preserves are ready in the autumn.

Oatmeal has advanced 1s. per sack. As reported last week, we have sufficient booked to last us three months, or until about the time of the arrival of the new crop.

Lentils are likewise advancing in price, and we have purchased one hundred and fifty bags. Since the purchase 9d. per bag has been added to the price by the C.W.S.

Our stock of cheese is running low, but we will only buy a small quantity to keep us going till the end of July, when new cheese will be put on the market.

Local potatoes are getting scarce and dear. We are selling a fair quantity of new Teneriffe potatoes at 2s. per stone.

Flour still maintains its price. It will be impossible to re-book at the old prices, but we have sufficient to last us till the month of October, at which time there will be an ample stock of winter wheat, and spring wheats will shortly be on the market. By that time probably prices will have eased off a bit.

The purchases for the week are as follows :—

From the C.W.S.	£3,050
From private sources	500

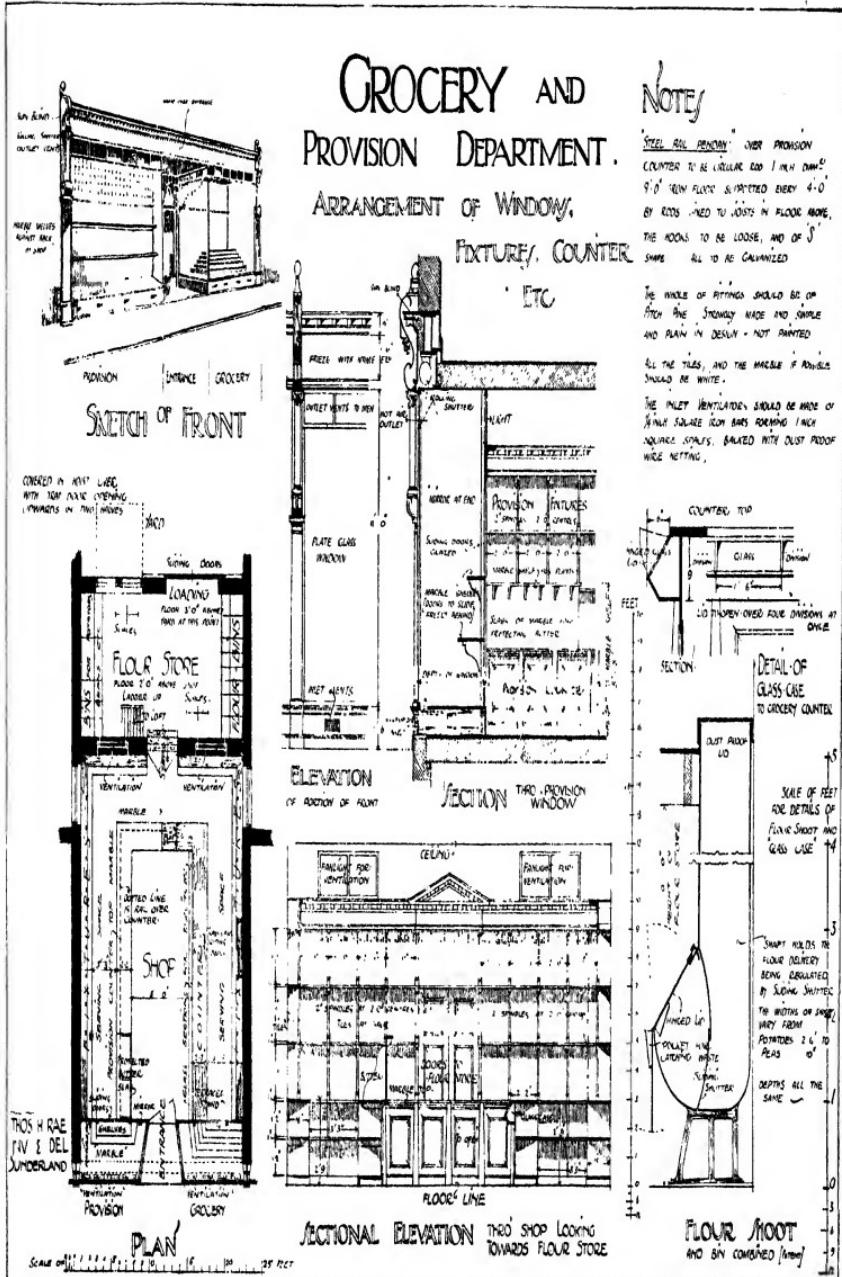
£3,550

Yours obediently,

Manager.

APPENDIX.

SECTION 2.



APPENDIX No. 2.**TRAFFIC BOOK.**

Reference No.	Date	Sheet No.	Station.	Description of Goods.	Weight.	Charges.	Received by
				FoOLSCAP SIZE			

APPENDIX No. 3.**GOODS RECEIVING BOOK.**

Date.	Consignor.	Quantity.	Description of Goods.	Gross Weight	Tare Weight.	Net Weight.	Lorry Book No.	Price.	Total Value.
				cwt. qrs. lbs.	cwt. qrs. lbs.	cwt. qrs. lbs.			
			FoOLSCAP SIZE.						

APPENDIX No. 4.

ADVICE OF RETURNS.

FROM THE UNION CO-OPERATIVE SOCIETY LIMITED.
To
..... 1908.

GENTLEMEN.

We beg to advise having returned this day per
the following, for which please send credit immediately on receipt,

And oblige,

Yours truly,

Where Addressed.	Quantity. Particulars and Nos.	Charged. Date.	Invoice Folio.	Price.	Amount.	Date Credited.
Ruled	14 lines.					(State reasons for return on Sheet.)

APPENDIX No. 5.

BRANCH TRANSFER BOOK.

UNION CO-OPERATIVE SOCIETY LIMITED.

No. 1.

Goods delivered to Branch.

..... 1908.

Description of Goods.	Quantity.	Cost Price.	Wholesale Value.	Selling Price.	Retail Value.
		Ruled 20 lines.			

Received by

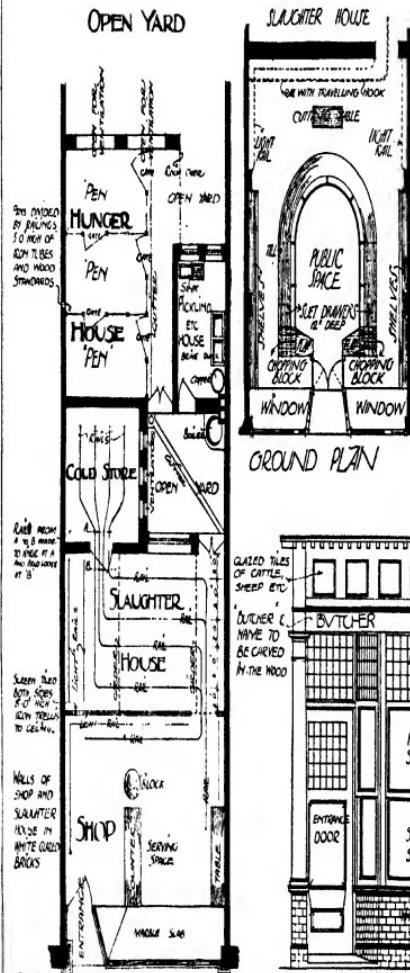
APPENDIX.

APPENDIX No. 6.

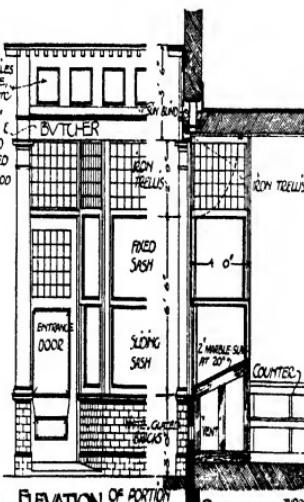
SUMMARY OF TRANSFERS.

Date.	Branch.	Transfer No.	Wholesale Value.	Retail Value.
		FOLIO CAP SIZE.		

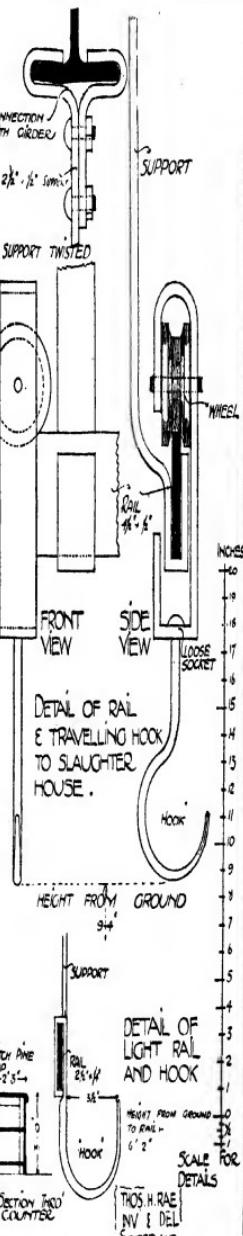
BUTCHERING OR FLESHING DEPARTMENT



ALTERNATIVE PLAN OF
SHOP FOR LARGE COUNTER-
TRADE & SHOWING
A CENTRAL ENTRANCE.



SECTION THROUGH
WINDOW COUNTER

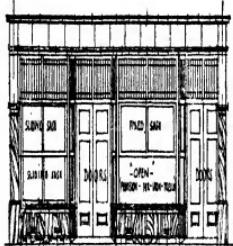


APPENDIX No. 8.

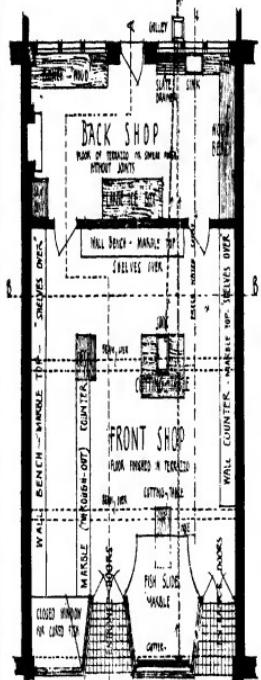
FORM OF FLESHING LEDGER.

FISH SHOPS

INCLUDING ~ DRY FISH ~
WET FISH ~ & ~ POULTRY



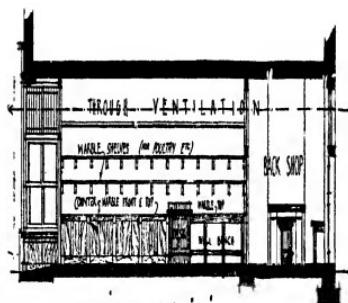
ELEVATION OF LARGE SHOP



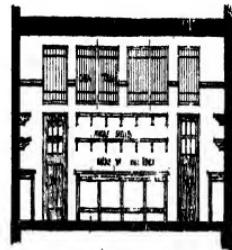
PLAN OF LARGE SHOP

THREE SUGARLAND
NO. 1 100

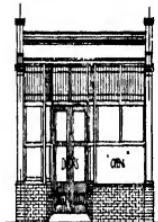
SCALE OF FEET



SECTION ON AA'



SECTION ON BB'



ELEVATION OF SMALL SHOP

4'-5" PLASTERED CEILINGS AND 8' LINE PEGS
COVERED ON BOTH SIDES WITH 8' X 10' SWANSON
THE 3' SPACES FILLED WITH SANDWICH THE "WIDE-VARIETY"



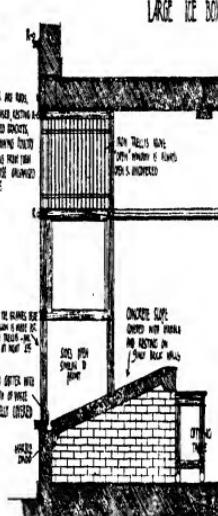
PLAN



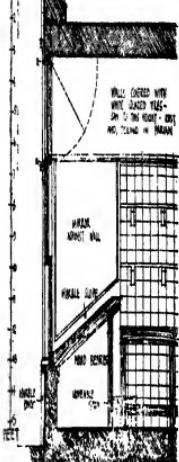
SECTION



PLAN OF SMALL SHOP



SECTION TWO FISH SIDE E'



SECTION TWO CLOSED WINDOW E'

APPENDIX No. 11.**CHEMIST'S SHOP.**

The following is a rough outline of some of the requirements in starting this business :—

- Small drawers, Ac. Tart.
- Large drawers, Mag. Sulph.
- 36 N. mouth stop-rounds, 32oz., various tinctures.
- 48 W.M. stop-rounds, 32oz., for drugs and lozenges
- 48 N.M. stop-rounds, 20oz., essential oils.
- 48 W.M. stop-rounds, 20oz., powders.
- 12 syrup bottles, plug stoppers, 32oz.
- 12 capped oil bottles, 32oz.
- 22 N.M. stop-rounds, 20oz., with vitrified labels (burst in), for acids.
- 24 4lb. ointment jars, cold creams, &c
- 24 1lb. ointment jars, extracts, &c.
- 5 jujube jars, plain scroll labels.
- 1 doz. bill cases.
- White vials.
- Best cornerless dispensing bottles.
- Poison bottles, green or blue ribbed.
- Stoppered white bottles.
- Cover pots, boxes for pills and ointments.
- Labels of various kinds.
- Dispensing labels should be lithographed.

APPENDIX No. 12.**OFFICIAL LISTS OR SCHEDULES OF POISONS.**

The subjoined are the schedules as printed by the Pharmaceutical Societies of Great Britain and Ireland. The articles marked * have been added since the Acts were passed. The conditions of sale and dispensing of articles in Parts 1 and 2 are the same in both countries

GREAT BRITAIN.

PART 1.

Not to be sold unless the purchaser is known to, or introduced by some person known to, the seller; also entry to be made in poison-book of (1) date of sale, (2) name and address of purchaser, (3) name and quantity of article, (4) purpose for which it is wanted, attested by signature, and (5) must be labelled with (a) name of article, (b) the word "Poison," (c) name and address of seller.

Arsenic and its preparations. [See also Annotations.]

Arschites, arsenic acid, and arseniates are also included.]

Aconite and its preparations.

Alkaloids.—All poisonous vegetable alkaloids and their salts.

**Atropine*, preparations of.

Cantharides.

Corrosive Sublimate.

Cyanides of Potassium and all metallic cyanides and their *preparations.

Emetic Tartar.

Ergot of Rye and its preparations.

Prussic Acid and its *preparations.

Savin and its oil.

Strychnine and its *preparations.

PART 2.

Not to be sold unless labelled with (1) name of article, (2) the word "Poison," (3) name and address of seller.

Almonds, Essential Oil of (unless deprived of prussic acid).

Ammoniated Mercury (commonly known as white precipitate of mercury).

Belladonna and its preparations.

**Cantharides*, tincture and all vesicating liquid preparations of.

**Carbolic Acid*, liquid preparations of, and its homologues containing more than 3 per cent of those substances, except any preparation prepared for use as sheep-wash, or for any other purpose in connection with agriculture or horticulture, and contained in a closed vessel distinctly labelled with the words "Poisonous," the name and address of the seller, and a notice of the agricultural or horticultural purpose for which the preparation has been prepared.

Chloroform.

**Chloral Hydrate* and its preparations.

**Corrosive Sublimate*, preparations of.

**Morphine*, preparations of.

**Nux Vomica* and its preparations.

Opium and all preparations of opium and of poppies.
Oxalic Acid.

**Red Oxide of Mercury* (commonly known as red precipitate of mercury).

Every compound containing any poison within the meaning of "The Pharmacy Act, 1868," when prepared or sold for the destruction of vermin.

IRELAND.

PART 1.

Arsenic and its preparations.

Prussic Acid.

Cyanides of Potassium and all metallic cyanides.

Strychnine and all poisonous vegetable alkaloids and their salts.

Aconite and its preparations.

Emetic Tartar.

Corrosive Sublimate.

Cantharides.

Savin and its oils.

Ergot of Rye and its preparations.

PART 2.

Oxalic Acid and *all oxalates.

Chloroform.

Belladonna and its preparations.

Essential Oil of Almonds, unless deprived of its prussic acid.

Opium and all preparations of opium or poppies.

Preparations of Corrosive Sublimate.

Preparations of Morphine.

**Preparations of Strychnine*

Red Oxide of Mercury.

Ammoniated Mercury.

**Biniodide of Mercury*.

Every compound containing any of the poisons mentioned in this schedule, when prepared or sold for the destruction of vermin.

Cantharides, the tincture and all vesicating liquid preparations of.

**Phosphorus* and all preparations containing it in a free state.

**Chloral Hydrate* and all its preparations.

**Nux Vomica* and its preparations.

**Sulphuric Ether*.

**Phenol*, commonly called carbolic acid.

APPENDIX No. 14.

AN AGREEMENT made this [11th] day of [June], 19[08], between [John Wood], of....., in the county of..... hereinafter called the Vendor), of the one part, and the Union Co-operative Society Limited, of Manchester (hereinafter called the Purchaser), of the other part.

1. **THE VENDOR** agrees to sell and the **PURCHASER** agrees to take from the date hereof, until this agreement shall have been determined, from [April 1st] to [March 31st], gallons of eight pints of new milk per day, to be delivered twice daily at the Central Exchange Station.
2. **THE PRICE** to be [7d.] per gallon of eight pints for milk supplied from [April 1st] to [September 30th], and [9d.] per gallon of eight pints for milk supplied from [October 1st] to [March 31st]
and such price shall be paid by the Purchaser to the Vendor within fourteen days from the time an invoice for milk supplied shall have been delivered to the Purchaser.
3. **ALL CHURNS** for the conveyance of milk shall be found by the Vendor, and such churns shall be properly cleaned, and sweet, before the milk is put into them on every occasion.
4. **ALL RAILWAY CHARGES** shall be paid by the Vendor.
5. **ALL MILK** shall be delivered perfectly pure and with all its cream, and shall be cooled to a temperature not exceeding 58° Fahr. before the churns are closed, and shall be of such quality as shall satisfy all the "Sale of Milk Regulations, 1901," applicable to genuine milk, made by the Board of Agriculture under Section 4 of the Sale of Food and Drugs Act, 1899. And the Vendor hereby warrants that each and every delivery of milk under this agreement shall answer and be of the description mentioned in this clause.
6. **THE VENDOR** shall on each and every occasion on which milk is sent to the Purchaser attach a label with lead tags*, duly signed by him, that the milk supplied is pure milk with all its cream. (Labels found by Purchaser.)

* These tags, whereby twine and label are attached to the cans, are valuable in detecting tampering and pilfering during transit.

7. THE VENDOR shall not send milk from any cow that is not in good health, or that has been physiced within the preceding twenty-four hours, nor from any cow within three days after the date of calving.
8. ALL THE MILK shall be the produce of the Vendor's own cows, and shall be sent fresh twice daily ; the morning's milk only being sent by morning train, and the evening's milk by evening train.
9. SHOULD TYPHOID, or Scarlet Fever, Diphtheria, Smallpox, or other contagious or infectious disease occur on the Vendor's farm or in the dwelling of any person employed upon such farm, the Vendor shall immediately give notice of such disease to the Purchaser, who shall thereupon be entitled to stop the supply of milk under this agreement until the Vendor sends him a medical certificate that all risk of infection has disappeared ; and in the event of a breach by the Vendor of this clause, he shall forthwith forfeit and pay to the Purchaser the sum of £20, as and by way of liquidated damages and not as a penalty, without proof being necessary of any special or other damage.
10. THE DETERMINATION of this agreement shall be by either party giving to the other fourteen days' notice in writing of such determination.

Society's
Stamp.

Sixpenny
Stamp.

Witness :

Name

Address

Occupation

Witness :

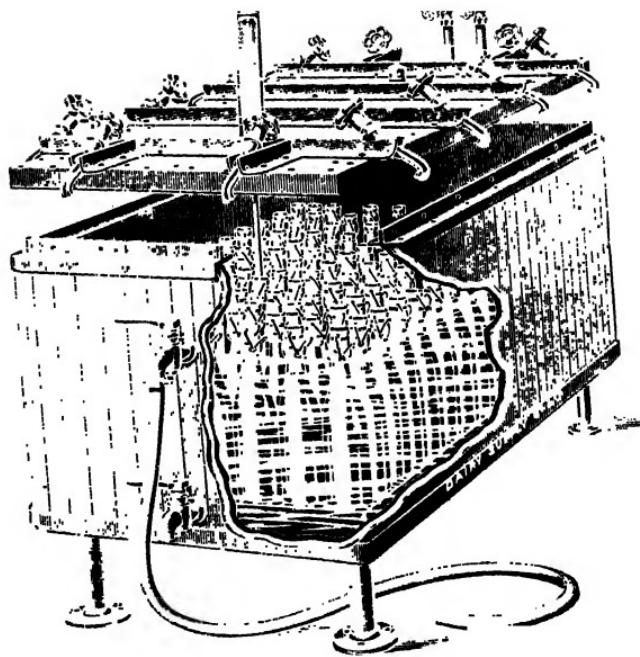
Name

Address

Occupation

APPENDIX No. 15.

"SIMPLEX" STERILISER.

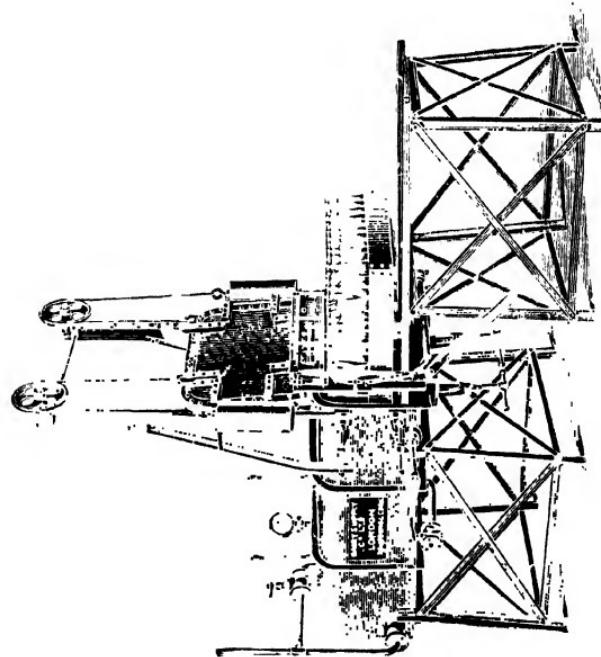
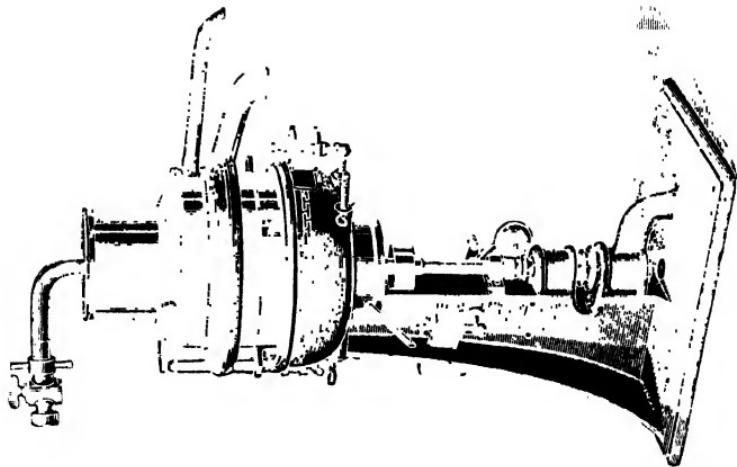


"Simplex" No. 5.
Of strong galvanised iron. Capacity 18 pds
or 68 quart bottles.

APPENDIX No. .6.

(III). "SILICON" SINTERED.

(III). VITRIFIED, "SINTERED".



APPENDIX No. 17.

WHOLESALE RECORD.

Milk Received and Delivered on..... 19.....

APPENDIX No. 18.

RETAIL RECORD

APPENDIX.

APPENDIX No. 19.

CUSTOMERS' DELIVERY BOOK.

APPENDIX No. 20.

A	Milk Bill, Week Ending,	190
	{ Milk Bill, Week Ending,	190

Mr. In account with MILK DEPARTMENT,
UNION CO-OPERATIVE SOCIETY LIMITED.
Mr. In account with MILK DEPARTMENT,
UNION CO-OPERATIVE SOCIETY LIMITED.

APPENDIX No. 21.

MEN'S RECORD FOR WAGES.

APPENDIX No. 22.**MILKMEN'S SCALE OF WAGES.****FLOATS, &c., BY HORSE.**

	£ s. d.	
25 to 27½ gallons per day.....	0 16 0	per week.
27½ .. 30 ..	0 18 0	"
30 .. 34 ..	1 0 0	"
34 .. 37½ ..	1 4 0	"
37½ .. 40 ..	1 6 0	"
40 .. 42½ ..	1 8 0	"
42½ .. 45 ..	1 10 0	"
45 .. 47½ ..	1 12 0	"
47½ .. 52 ..	1 14 0	"

SCALE FOR BARROWS—WINTER 6 MONTHS

	£ s. d.	
12 gallons per day	0 9 0	per week.
13 ..	0 9 6	"
14 ..	0 10 0	"
15 ..	0 11 6	"
16 ..	0 12 0	"
17 ..	0 12 6	"
18 ..	0 13 0	"
19 ..	0 13 6	"
20 ..	0 14 0	"
21 ..	0 15 0	"
22 ..	0 16 0	"
23 ..	0 17 0	"
24 ..	0 18 0	"
25 ..	1 0 0	"
26 ..	1 1 0	"
27 ..	1 2 0	"
28 ..	1 3 0	"
29 ..	1 4 0	"
30 ..	1 5 0	"

SCALE FOR BARROWS—SUMMER 6 MONTHS.

	£ s. d.	
12 gallons per day	0 9 0	per week.
13 ..	0 9 6	"
14 ..	0 10 0	"

SCALE FOR BARROWS—SUMMER 6 MONTHS—*continued.*

	£ s. d.	
15 gallons per day	0 11 6	per week.
16 "	0 12 0	"
17 "	0 12 6	"
18 "	0 13 0	"
19 "	0 13 6	"
20 "	0 14 0	"
21 "	0 15 0	"
22 "	0 16 0	"
23 "	0 17 0	"
24 "	0 18 0	"
25 "	0 19 0	"
26 "	1 0 0	"
27 "	1 1 0	"
28 "	1 2 0	"
29 "	1 3 0	"
30 "	1 4 0	"
31 "	1 5 0	"
32 "	1 6 0	"

APPENDIX No. 23.

CAFÉ CUSTOMER'S SLIP.

100

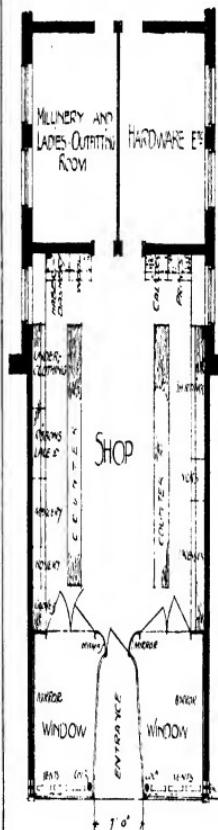
Please PAY at the Cash Office near the door, and get a check.

Persons. Amount.

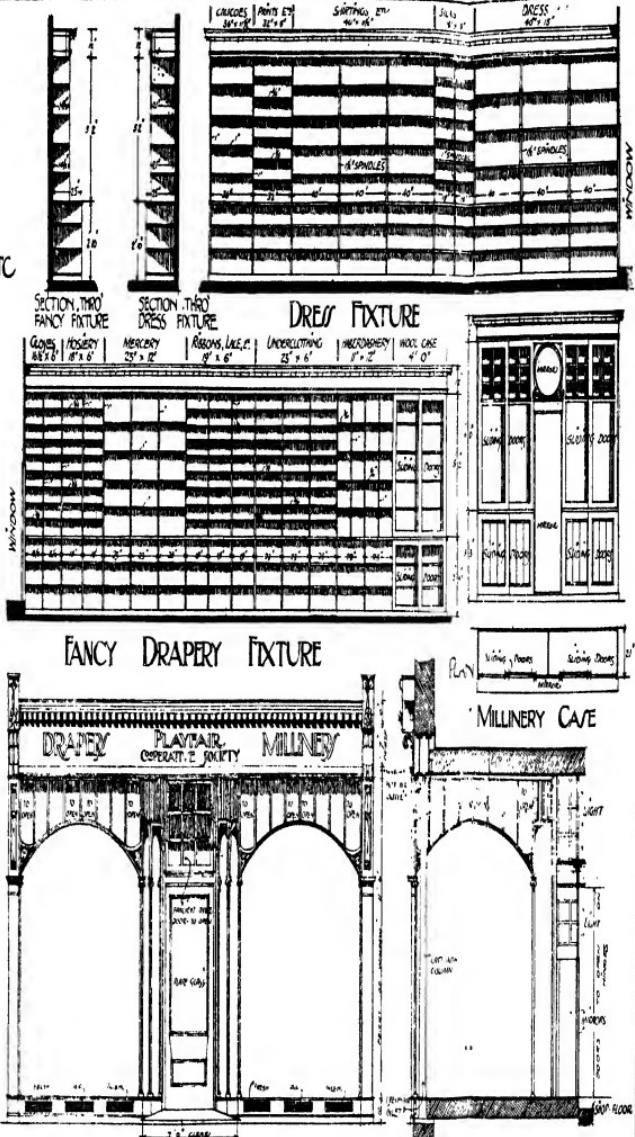
A Box is provided for Non-members' Checks. Don't give
Checks to children in the street.

TEXTILE
DEPARTMENT

DETAILS OF FIXTURES
WINDOW ETC



SCALE OF
PLAN



THE FRONT

SCALE OF

SECTION THRO' FRONT THOS H RAE
INV & DEL,
SUNDERLAND

APPENDIX No. 25.**DRAPERY DEPARTMENT—FIXTURES AND FITTINGS.**

Counters throughout should be of the same size— $34''$ high $\times 25''$ wide, and divided into sections suitable to each department.

Counters and fixtures. Nine feet will be found high enough for wall fixtures, which includes a $12''$ moulded cornice. The bulk of the work would be executed in pine-stained mahogany.

As the detail of fixtures is somewhat ponderous, the following specification may be of service, which is amply

illustrated in Appendix 24:—
Specification. Dress department—

Counter— $34'' \times 25''$, underneath divided into three sections. Drawers at end. *Fixtures*—Total height $9''$, including $12''$ ornamental cornice; base $34'' \times 25''$, three sections; above, $40'' \times 17'' \times 21''$ spindles

Silks—

$9'' \times 18'' \times 21''$ spindles

Hosiery and gloves—

Counter—Underneath, umbrella drawers $37'' \times 4'$. *Fixtures*—For gloves and socks, $16\frac{1}{2}'' \times 6\frac{1}{2}'' \times 14\frac{1}{2}''$, two flat-sectioned cloth-covered boxes for each fixture. Hosiery, $18'' \times 6'' \times 14\frac{1}{2}''$, one box for each fixture.

Men's mercery—

Counter—Uniform with above umbrella and shirt drawers underneath. *Fixtures*—Base divided into two; top parts, $23'' \times 12'' \times 14\frac{1}{2}''$.

Haberdashery—

Counter— $34'' \times 25''$, drawers underneath, $20'' \times 2\frac{1}{2}'$, four rows, rest open. *Fixtures*—Base, $11'' \times 11'' \times 20''$; top $11'' \times 11'' \times 17''$. Glass case for Berlin wools.

Bandannas—

Counter—Uniform, drawers $21'' \times 6''$. *Fixtures*—Base $34'' \times 18''$, three divisions; top $23'' \times 16'' \times 14\frac{1}{2}''$. Green boxes to fit.

Trimmings—

Counter— $34'' \times 25''$; drawers $20'' \times 6''$. *Fixtures*—Base $34'' \times 18''$, three divisions; top $19'' \times 6'' \times 17\frac{1}{2}''$, boxes

Manchester—

Counter—Two divisions. *Fixtures*—Base $34'' \times 27''$, three divisions—Calicoes, $36'' \times 12'' \times 21''$; prints, $32'' \times 9'' \times 21''$. flannelettes, $40'' \times 13'' \times 21''$ spindles.

Millinery—

Glass cases— $6' \times 8' \times 21''$.

Lockers— $39'' \times 12'' \times 27''$.

APPENDIX.

APPENDIX No. 26.

COUNTER SALES.—ASSISTANTS' BOOK.

LONG MILLGATE,
MANCHESTER.

THE
UNION

CO-OPERATIVE SOCIETY LTD.
DRAPERS,
FURNISHERS, AND
GENERAL OUTFITTERS.

Served by

Examined by

Am/t.
tendered.

APPENDIX No. 27.

SALES—ASSISTANTS' WEEKLY TOTALS.

Week ending.....

Length as required.

APPENDIX No. 28.

From 1796 to 1815, letters from A to W, thus



" 1816 , 1835, " " "



" 1836 , 1855, " " "



" 1856 , 1875, " " "



" 1876 , 1895, " " "



" 1896 , 1908, " " A to L, "



Omit J.

Note the difference in the shields where the letters
are the same.

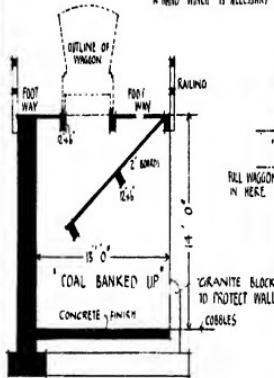
A COAL LANDSALE WITH 'WEIGH OFFICE' STABLES &c

NOTES

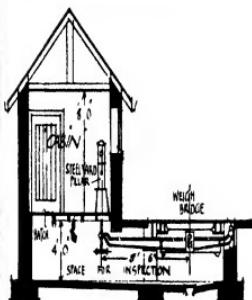
THE WAGON-WAY HAS A SLIGHT FALL FROM P TO R
"P" IS THE HIGHEST POINT IN THE TRACK -

WHEN A 'THROUGH TRACK' IS IMPOSSIBLE A SEPARATE RETIRING TRACK MUST BE PROVIDED.

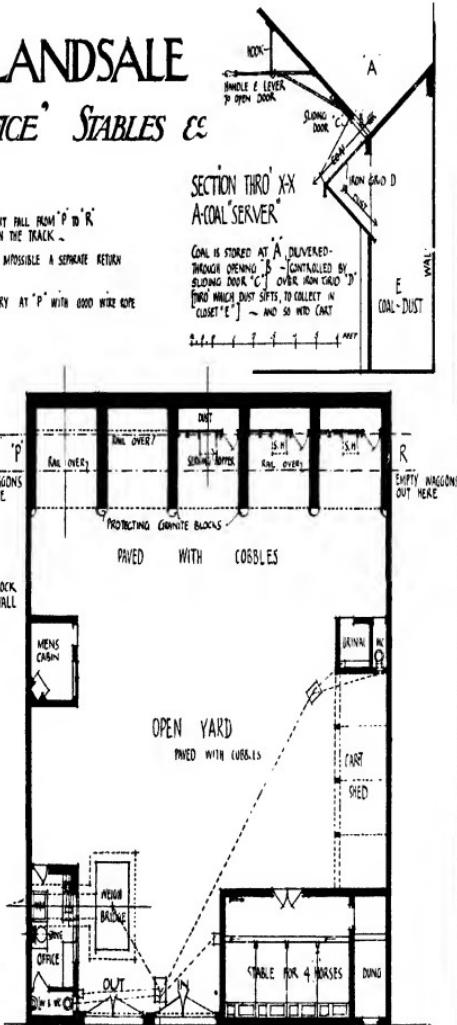
A hand wrench is necessary at "P" with open wire grip.



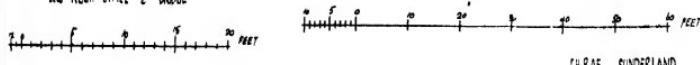
SECTION ON LINE ST



SECTION ON LINE MN
REG. IN U.S. PAT. & TM. OFF.



GROUND PLAN



THRAE SUNDERLAND
NVT E DEIT

APPENDIX No. 30.**COAL DELIVERY NOTE.**

.....190.

SOLD BY THE

UNION CO-OPERATIVE SOCIETY LIMITED.

From their DEPOT.

Mr.....

*Take notice that you are to receive herewith the undermentioned
Coal :—*

QUALITY.	WEIGHT. Tous. Cwts. Qrs.	RATE PER TON.	AMOUNT.
Weight of Coal and Vehicle.....			
Tare Weight of Vehicle			
Net Weight of Coal herewith Delivered to Purchaser.....			

Carter..... Depôt Agent.....

APPENDIX No. 32.

THE GRENNELL SPRINKLER.

DESCRIPTION OF THE SPRINKLER.

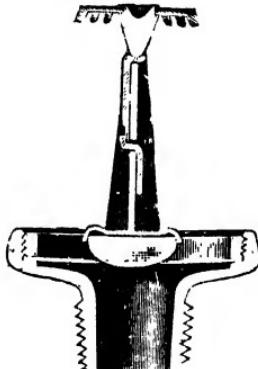
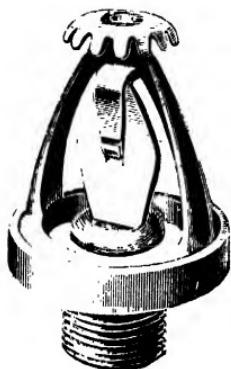
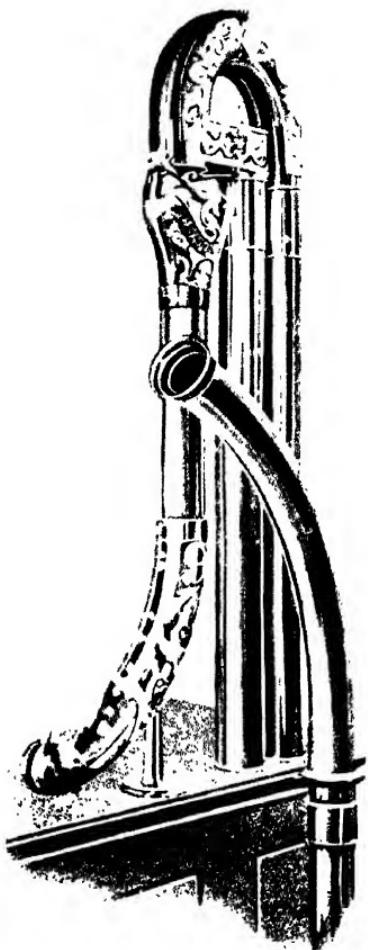


Fig. 3

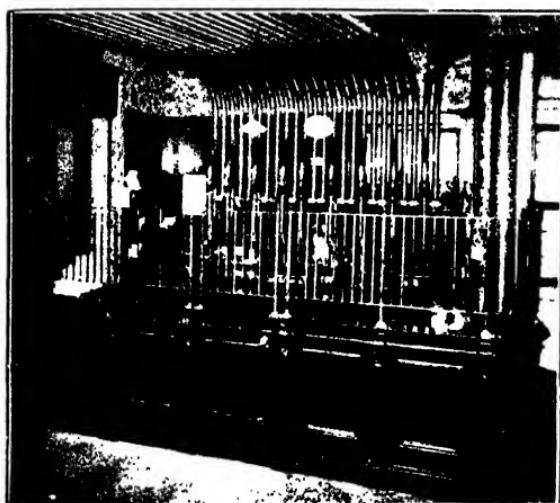
Fig. 1 is a view of the Sprinkler closed. Fig. 2 gives a sectional view. Fig. 3 represents the Sprinkler open for the discharge of water. A solid half-inch stream impinging upon the deflector spreads in a profuse shower in all directions. Each figure is one half the actual size.

APPENDIX No. 33.



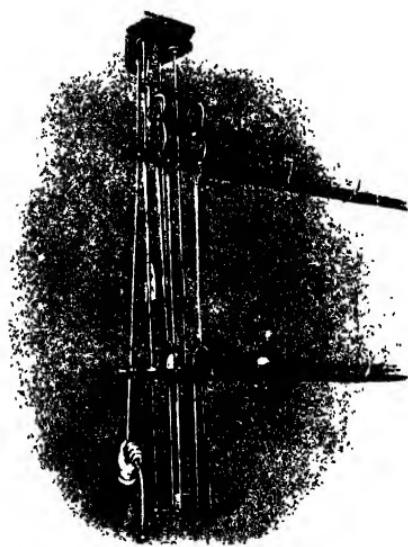
COUNTER SECTION, SHOWING UP AND
DOWN TUBES.

APPENDIX No. 34.



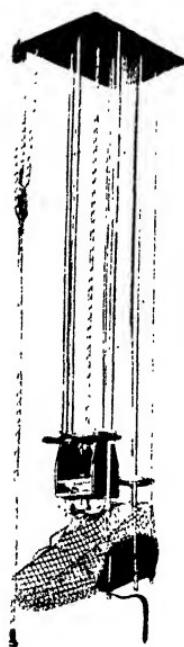
PNEUMATIC CENTRALISED CASH DESK, GIVING SOME IDEA OF THE COLLATION OF STATIONS

APPENDIX No. 35



COUNTER SECTION OF CASH RAILWAY SYSTEM.

APPENDIX No. 36.

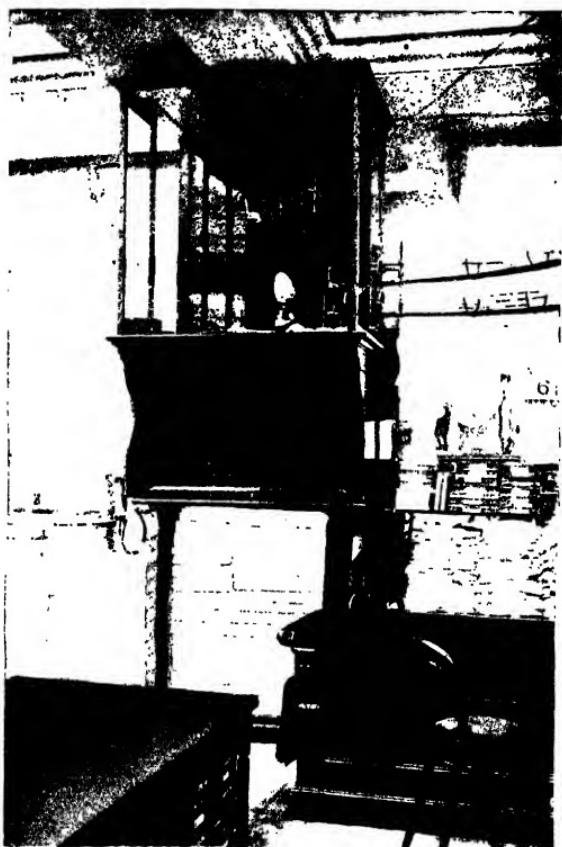


SHOWING DROP STATIONS OF CASH RAILWAYS.

APPENDIX No. 37.

THE RAPID WIRE OR CATAPELLE SYSTEM FOR
DIRECT SERVICE BETWEEN COUNTER
AND CASH DESK.

APPENDIX No. 38.



CASH DESK SHOWING COMBINATION OF RAILWAY
AND CATAPULT SYSTEMS.

APPENDIX No. 39.

THE CASH REGISTER SYSTEM.

01726	A	0.	14.	0
12346	B	0.	10.	6
00829	D	0.	9.	2½
02864	E	0.	1.	6
21963	TB	4.	0.	0
18765	E	0.	7.	6
00000	NTA	5.	0.	0
00000	NME	0.	2.	6
01827	NDE	0.	1.	4½
22351	B	0.	11.	6
00719	E	0.	0.	9
03792	TA	4.	0.	0
18765	D	0.	10.	6
29163	B	0.	7.	0
10004	CLA	0.	1.	0
00829	D	0.	6	½

This Sales Strip shows transactions as follows:—

Shopman "A" made a Cash Sale to a Society Member of 14s. Shopmen "B," "D," and "E" also made Cash Sales.

Where the letter T is shown before the Clubman's initial it indicates that he made a Transfer of checks for a Member aggregating £1.

Where NT is shown before the Shopman's initial it indicates that he made a Transfer for a Non-member of checks aggregating £5.

Where NM is shown before the Shopman's initial it indicates that he made a sale to a Non-member of 2s. 6d.

Where ND is shown before the Shopman's initial it indicates that he sold goods for 1s. 4½d. upon which no dividend was payable.

Where CL is shown before the Shopman's initial it indicates that this Shopman received a payment of 1s. on a Club Account.

All other transactions or the Slip are cash transactions with Members, and the initials of the different Shopmen are shown before each amount. Hence at the end of the day's business it is very easy to check up each man's sales and sundry transactions.

SALES STRIP as printed under
hood of Register.

126 MAR. 15.

CO-OPÉRATIVE
WHOLESALE
SOCIETY LIMITED.

Central Offices:

BALLOON STREET,
MANCHESTER.

B.0 11 6

HIS CHECK MUST BE
KEPT FOR
DIVIDEND OR TRANSFER

Sample of Check issued by the
Register.

APPENDIX No. 40.

THE "IDEAL" CHECK SYSTEM.

• 1

Preceding Quarter's Purchases.

2947

To be entered only on the
First Card of the Quarter.

Brought over.

**MEMBER'S PURCHASE BOOK—READY-MONEY
SYSTEM.**

		Member's Name.				
		Book No.	Prog. No.	Depart- ment.	Purchases.	Initials.
1st Check.		<i>Brought forward.</i>				
A 23		1				
2nd Check.		A 23		2		
3rd Check.		A 23		3		
4th Check.		A 23		4		
5th Check.		A 23		5		
6th Check.		A 23		6		
7th Check.		A 23		7		
8th Check.		A 23		8		
9th Check.		A 23		9		
10th Check.		A 23		10		
		<i>Carried forward.</i>				

THE BOOK IS BOUND HERE.

SHOP MANAGER'S VOUCHER BOOK.

		FIELDING-WOOD CHECK SYSTEM.		Date	Shop Manager.	
1st Check.	Description.	Depart- ment.	Cash handed over.	Shopman.	Manager.	
	Manager.					
2nd Check.	1st Asst.					
3rd Check.	2nd Asst.					
4th Check	3rd Asst.					
5th Check.	4th Asst.					
6th Check.	5th Asst.					
7th Check.	Share Con- tributions.					
8th Check.	Penny Bank Con- tributions.					
9th Check.	Club Con- tributions.					
10th Check.	Date.				Department.	
	Daily Total				Receiver's Signature :	

THE BOOK IS BOUND HERE.

NON-MEMBER'S PURCHASE BOOK.

FIELDING-WOOD CHECK SYSTEM.					NON-MEMBER'S PURCHASE BOOK.	Quarter
1st Check.	Indication	Prog. No.	Dept.	Purchases.	Shopman.	Voucher Ticket.
	Brot.	field.				
	N.M.	1				N.M. 1
2nd Check.	N.M.	2				N.M. 2
3rd Check.	N.M.	3				N.M. 3
4th Check.	N.M.	4				N.M. 4
5th Check.	N.M.	5				N.M. 5
6th Check.	N.M.	6				N.M. 6
7th Check.	N.M.	7				N.M. 7
8th Check.	N.M.	8				N.M. 8
9th Check.	N.M.	9				N.M. 9
10th Check	N.M.	10				N.M. 10
	<i>Formed.</i>					

THE BOOK IS FOUND HERE,

APPENDIX 44.**MEMBER'S PURCHASE BOOK.—CREDIT SYSTEM.**

		Member's Name.				Credit Allowed		
		Book No.	Prog. No.	Dept.	Goods.	Cash.	Balance.	Initials.
1st Check.		Brought forward			—			
		AB 39	21					
2nd Check.		AB 39	22					
3rd Check.		AB 39	23					
4th Check.		AB 39	24					
5th Check.		AB 39	25					
6th Check.		AB 39	26					
7th Check.		AB 39	27					
8th Check.		AB 39	28					
9th Check		AB 39	29					
10th Check.		AB 39	30					
		Carried forward						

REDUCED FAC-SIMILE.

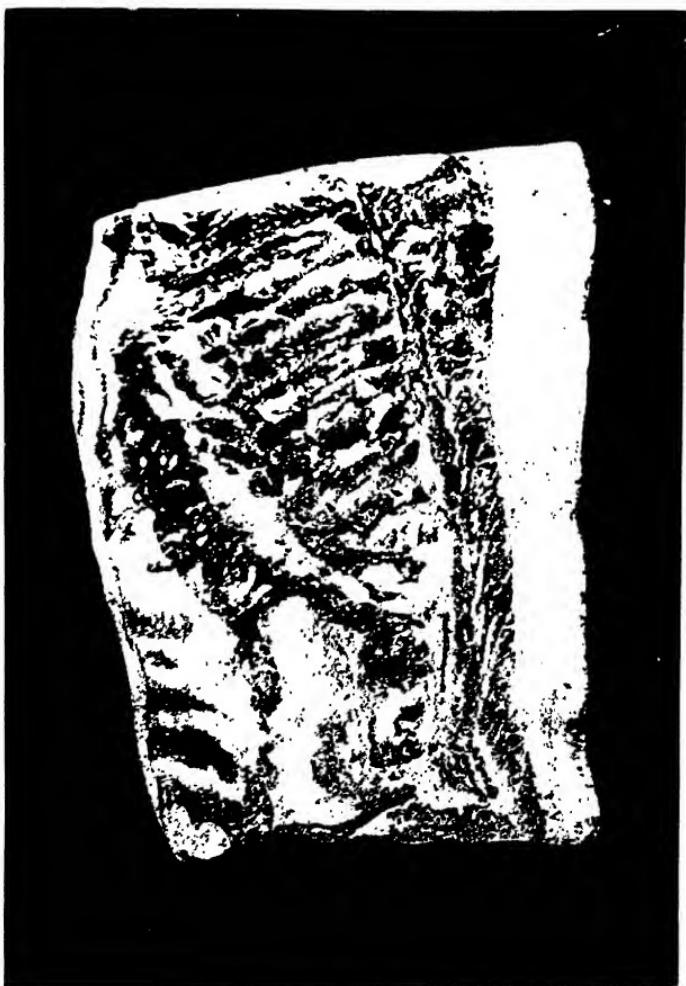
MEMBER'S PURCHASE BOOK.—CREDIT SYSTEM.

APPENDIX No. 45.



WELSH.

APPENDIX No. 46.



SHORT CLEAR

APPENDIX No. 47.



LONG. CLEAR.

APPENDIX NO. 48.



EXTRA LONG CLEAR.

APPENDIX No. 49.



WILSHIRE.

APPENDIX No. 50.

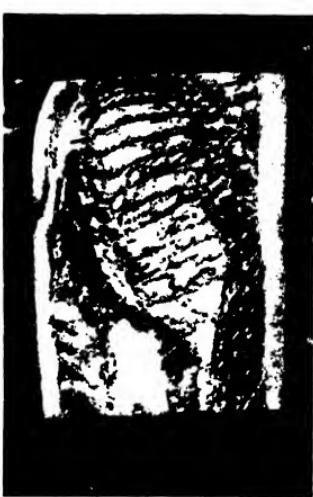


STAFFORD

APPENDIX No 51.



MESS PORK.



SHORT RIB.



RIB BELLY.



CLEAR BELLY.

APPENDIX No. 52.



EXTRA SHORT CLEAR.



PRIME MESS PORK.



SHORT FAT BACK.



SHORT CLEAR BACK.

APPENDIX No. 53.



CUMBERLAND.



SHROPSHIRE.



LONG CUT HAM.



PRESTON HAM.

APPENDIX No. 54.



IRISH CUT.



BIRMINGHAM.



STAFFORD HAM.



MANCHESTER HAM.

APPENDIX No. 55.



BIRMINGHAM.



LONG RIB.



MANCHESTER HAM.



SHOULDER.

APPENDIX No. 56.



AMERICAN SHORT CUT HAM



LONG FAT BACK.

APPENDIX No. 57.

THIS AGREEMENT made the day of 190 Between the Union Industrial Co-operative Society Limited whose registered office is situate.....in the County of.....(hereinafter called the Owners) of the one part and.....of.....in the County of.....(hereinafter called the Hirer) of the other part.

WHEREBY it is agreed as follows :—

1. The Owners agree to let and the Hirer agrees to take on hire the Articles and Effects mentioned in the Schedule hereto on the terms and conditions hereinafter mentioned from the day of 190 and so on from to until such time as the Hirer discontinues the hiring and the Hirer in consideration of the premises agrees as follows :—

2. To pay on the signing of this Agreement the sum of in consideration of the option to purchase conferred by this Agreement and in respect of which sum the Hirer will only be entitled to credit should a purchase be effected.

3. To pay unto the Owners the rent of without demand having been made therefor so long as the Hirer continues the hiring payable on the last Saturday in each month the first of such payments to become due on the day of 190

4. Not to remove or suffer to be removed the said Articles or Effects or any of them from the above address without the written consent of the Owners and to keep the same in good order and repair reasonable wear and tear only excepted and to replace to the satisfaction of the Owners and with all convenient speed any article which may be broken or destroyed by accident fire or otherwise by other articles of a similar kind and workmanship and in a good state of repair.

5. To pay the rent and the rates and taxes payable by him in respect of the house which he now occupies or of any other house hereafter to be occupied by him with such consent as aforesaid or during the continuance of the hiring and to produce to the Owners if required to do so the receipts for such payments

6. To pay from time to time on demand such sums or sum as the Owners may have paid in respect of premiums on policies for insuring the said Articles and Effects against fire so long as the hiring continues and to repay to the Owners such rent rates and taxes and other moneys

owing by the Hirer as the Owners may in their discretion have paid, on behalf of the Hirer also to pay to the Owners within 28 days after notice in writing all such costs and expenses as may be incurred by the Owners in respect of proceedings taken by them under clause 7 of this Agreement for the recovery of the said Articles and Effects or any of them.

7. And the Hirer further agrees that in case any of the payments of rent for the use of the said Articles and Effects shall not be paid for the period of days after the same shall have become payable or if the Hirer fails to duly perform all or any of the conditions herein contained or if the Hirer shall commit any act of bankruptcy or have a receiving order made against him or her or be adjudicated bankrupt or make a composition or arrangement with his or her creditors or become in arrear with his or her rent to the landlord of the house and premises in which the said Articles and Effects shall lawfully be for the time being or if the said Articles and Effects or any of them shall be taken under distress for rent or seized under any legal process then the Hirer shall forthwith on demand deliver up the said Articles and Effects unto the Owners or whomsoever may be appointed by the Owners to receive the same free from any damage or injury whatsoever and that on refusal or default in such delivery as aforesaid the Owners may notwithstanding any payments that may have been made under this Agreement terminate the hiring and retake possession of the said Articles and Effects with full power and authority to break open and forcibly enter any premises wherein the said Articles and Effects or any portion of them may be without any let suit trouble hindrance or denial whatsoever either by the Hirer or any one else whatsoever and regain possession of the same without being in any way liable to any action suit or other proceedings whatsoever in relation thereto.

8. Such retaking possession of the said Articles and Effects as aforesaid shall not prejudice the right of the Owners to recover any rent which may be due for the use of the same up to the date of such retaking.

9. The Hirer further agrees that the Owners shall during the continuance of the hiring have power to apply any share capital or other interest standing to the credit of the Hirer in the books of the Owners in satisfaction of any or all of the payments to which the Hirer may be liable from time to time under this Agreement.

10. The Owners agree that the Hirer shall not be molested or deprived of the use or enjoyment of the said Articles and Effects so long as the Hirer shall continue the due and regular payments of rent as aforesaid and perform and observe all the terms and conditions of this Agreement but the Hirer may at any time terminate the hiring

by delivering up at his own risk and cost the said Articles and Effects to the Owners free from damage or injury but the Hirer shall remain liable to the Owners for the arrears of hire up to the date of such delivery and damages (if any) for the breach of this Agreement.

11. The Hirer shall have the right at any time during the hiring subject to the conditions before mentioned to become the purchaser of the said Articles and Effects upon payment of a sum which together with the previous payments equals the entire sum of £..... This option may be also exercised by the Hirer within a period of 30 days after the Owners have retaken the said Articles and Effects provided that the Hirer pays in addition to the said sum of £..... the expenses of and incidental to such repossession within 30 days after such repossession.

12. When the Hirer has by regular and punctual payments as they become due paid the entire sum of £..... and observed and performed all the other terms and conditions hereinbefore set forth he shall become the purchaser of the said Articles and Effects but these shall in all cases remain and be the sole property of the Owner if no purchase is effected and until this is done the Hirer shall only be regarded as bailee of the same.

IN WITNESS whereof the Members of the Committee whose signatures are hereunder written for and on behalf of and by the authority of the Owners and the Hirer have hereunto set their hands the day and year first before written.

Signed by

and

Members of the Committee in the presence of

..... Secretary.

Signed by } }

in the presence of

Witness's Name.....

Address

Occupation

APPENDIX No. 58.*Folio.....*

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M ..

Dr. to the
UNION INDUSTRIAL CO-OPERATIVE SOCIETY LTD.

SCHEDULE REFERRED TO IN AGREEMENT.

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APPENDIX No. 59.**RAILWAY RATES.***

**SCALE OF MAXIMUM RATES FOR CONVEYANCE OF
MERCHANTISE COMPRISED IN CLASSES
A, B, AND C.**

(*North-Eastern Railway Company.*)

Rates per Ton per Mile.

Class.	For the first 10 miles.	For the next 10 miles.	For the next 15 miles.	For remainder of journey.
A	d.	d.	d.	d.
B	1.75	1.25	0.75	0.60
C	1.90	1.25	1.00	0.75
	2.0	1.75	1.50	1.25

CLASSES 1, 2, 3, 4, AND 5.

Class.	For the first 20 miles.	For the next 30 miles.	For the next 50 miles.	Remainder of Distance.
I	d.	d.	d.	d.
2	2.20	1.85	1.40	1.00
3	2.65	2.30	1.80	1.50
4	3.10	2.65	2.0	1.80
5	3.60	3.15	2.50	2.20
	4.30	3.70	3.25	2.50

Bridges and Tunnels are charged extra mileage.

**MAXIMUM STATIONS AND SERVICE TERMINALS
APPLICABLE TO ALL RAILWAYS.**

sses.	Station Terminal.	Loading.	Unloading.	Covering.	Uncovering.
	s. d.	s. d.	s. d.	s. d.	s. d.
A	0 3	..	..	..	..
B	0 6	..	..	..	..
C	1 0	0 3	0 3	0 1.00	0 1.00
I	1 6	0 5	0 5	0 1.50	0 1.50
2	1 6	0 8	0 8	0 2	0 2
3	1 6	1 0	1 0	0 2	0 2
4	1 6	1 4	1 4	0 3	0 3
5	1 6	1 8	1 8	0 4	0 4

* From a Paper by Mr. Thos. Tweddell, J.P., of West Hartlepool.

APPENDIX.

SECTION 4.

APPENDIX No. 1.**BANKING.**

THE inconvenience of "bartering" has long since been recognised, and even primitive communities tend to use some commodity as the medium of exchange.

The Business of Banking. What we term "money" is our medium of exchange, and "banking" is the business of dealing in "money."

This business has become powerful in modern industry and commerce. Its evolution has been due to the development of trade, and, at the same time, banking facilities have fostered trade-growth.

The earliest bankers of whom we have record, confined their operations to "money-changing." The Greek and Roman bankers exchanged current coin for the mixed currency of the merchants, who came from other States. In the Middle Ages, European commerce was hampered by the confusion of currencies, until the Bank of Amsterdam issued "paper money" or "bank notes" in exchange for the heterogeneous mass of metallic coins in circulation.

Modern banking, with its "paper" or "credit" instruments of exchange, has encouraged and facilitated a vast accumulation of wealth.

The Rise of Deposit Banking. The Stuart kings plundered the treasure which was deposited in the Tower, and London merchants elected that the goldsmiths should act as custodians of their savings. Goldsmiths' certificates—"Goldsmiths' notes"—circulated, like money, and performed all the functions which the deposited gold would

have done. Consequently, the merchant-depositors left their gold, for long periods, in the strong-rooms of the goldsmiths, who did a profitable business by lending the deposits.

The modern function emerges as public confidence grows, inducing men to deposit their surplus money in the banks.

Its Modern Function. The deposits of a bank accumulate, as the bank inspires confidence in its own financial strength, increasing public assurance in its ability to repay "on demand."

Modern banks may be regarded as reservoirs of liquid capital, into which, from the regions of superabundance, streams of unused capital flow, and out of which run streams of fertilising capital, to help struggling traders and to finance industrial enterprise. Banks economise the nation's floating capital, that it may create the maximum amount of wealth. They gather up and redistribute the financial energy of the community, so as to render it productive when it would otherwise have stagnated in unproductive channels.

Moreover, the issue of paper money ("notes" and especially "cheques") multiplies the lending power of banks.

The Cheque and Clearing-House System. The system of "cheque payment" has been the greatest boon and stimulus to trading the world has ever known. Any number of payments can now be effected without the intervention of specie. As a rule, cheques are not cashed by the respective bankers upon whom they are drawn, but are paid, as if they were gold, into customers' accounts at the various banks, which effect daily settlements through the London and provincial clearing-houses.

If all the cheques drawn were presented for cash, their total value would be restricted to the amount of cash kept

"on hand." Without the aid of the cheque system, the Co-operative Wholesale Society's Bank would be restricted to, say, £10,000 of cash payments per day, instead of, as at present, some £300,000 of cheque payments.

If all trade liabilities had to be settled in gold, the C.W.S. Bank would have to extend its payment of £2,000,000 sterling (the amount of the bank's deposits) over a considerable period; yet in 1906, by means of the "cheque" system, the bank effected payment for its customers, amounting to £100,000,000 sterling. Every penny of the £2,000,000 deposited with the C.W.S. Bank was "turned over" for trade purposes about once every week.

The general function of banking, as a factor in modern life, has a special bearing upon co-operation. The "movement" has been described as a "State within a State." It is a community in itself—a branch of society—sharing the activities of modern business life. Therefore, "deposit banking" plays an important part in co-operative affairs, as it does in all modern industry and commerce.

When co-operative surplus capital flows into the various "deposit banks," it helps to swell the nation's general trading fund; but when such money flows into a "co-operative deposit bank," it swells the co-operative trading fund, of which the outflow is directed to finance co-operative enterprise only.

The financial energy of co-operators is thus utilised in the "movement," to nourish co-operative trading, to invigorate weak societies and to strengthen their fibre.

The Co-operative Wholesale Society commenced its banking business in 1872, "to receive surplus capital from its members, either to be used in the business or lent out on approved security."

The scope of the department was extended a little later, when "societies which are non-members, whether joint-stock companies, corn mill societies or retail stores," were included, and banking accounts were opened with members or non-members. Now, moreover,

the bank also opens accounts with trade unions, benevolent, friendly, and building societies and kindred institutions.

The business has grown rapidly from 1872 onwards. By means of cheques, in 1896 the bank liquidated, for its customers, over £30,000,000 of debt, whilst in 1906 this item exceeded £100,000,000.

Its Influence and Utility. The C.W.S. Bank has grown steadily as an agency in the movement, economising its capital and stirring into activity those co-operative funds which would have remained idle and useless, and conveying them in life-giving streams to revive drooping societies and to invigorate the powers of production in the “movement.”

Societies must have confidence in their bank's financial strength. The bulk of the £2,000,000 which the C.W.S.

Bankers' Liability to Repay on Demand. Bank holds on current and deposit account is repayable “on demand.” Bankers have learned from experience that it is sufficient, under normal conditions, if they hold a comparatively small percentage of their “deposits” as “reserve cash in hand.” Nevertheless, if the customers of the C.W.S. Bank began to doubt the bank's ability to repay on demand, they would hasten to the bank counter and demand full repayment in gold.

Such an occurrence, however, would only prove the bank's strength, for it would muster its whole forces and pay, either in gold or Bank of England notes, every cheque that was presented—

The Strength of the C.W.S. Bank. Its Ability to Pay. (1) The bank would exhaust the gold in its own vaults;

(2) The manager would draw cheques upon the London and country banks which hold nearly £1,000,000 of the C.W.S. Bank's money.

(3) The country banks would draw upon *their* London agents respectively, and finally, if necessary, the

London banks would draw upon the Bank of England, which holds their reserve balances.

The Bank of England keeps, say, £20,000,000 of gold in its vaults, and this constitutes the nation's ultimate "banking reserve" which would, indirectly, support the Co-operative Wholesale Society's Bank.

It is conceivable that, in a general panic, that colossal reserve might be exhausted, but the solvency of the British Government is bound up with that of the BANK, and the Government can save the BANK, and has done so on three occasions, by granting it permission to replenish the depleted reserve by increasing its "note issue" beyond the authorised limit.

How delicately, yet how strongly, the banking fabric is interwoven! Each bank supports its neighbour; provincial banks (of which the C.W.S. Bank is one) are connected with London banks, and they, in turn, with the Bank of England, which centralises the scattered banks and makes them parts of one system.

The Rates of Interest. The rates of interest, which banks charge and allow respectively, are determined by "Bank of England rate," which is the official minimum rate at which the BANK will discount bills.

Relation to Bank Rate. The fact that the Bank of England keeps the nation's banking reserve lends importance to BANK RATE, for, when ready money cannot be obtained from London bankers, bill brokers and other borrowers resort to the Bank of England, which protects the reserve by adjusting BANK RATE.

Market rates follow BANK RATE, for the banks and discount-houses which have borrowed from the Bank of England must charge their customers accordingly.

The London "deposit" rates move up and down with market rates, so that the "margin" for gross profits remains about constant.

Position of C.W.S. Bank. The C.W.S. Bank (as typical of co-operative banking) occupies an unique position, differing from capitalistic banking companies, which apportion earnings on share capital.

The net profits of the C.W.S. Bank, on the other hand, are divided amongst its customers, whilst shareholders of the C.W.S. receive no portion of banking profits, except and in so far as they (the shareholders) deal with the bank. Therefore, it is unnecessary for the bank to make a large net profit, and its margin (between rates charged on advances and rates allowed on deposits) can be reduced to a minimum to cover working expenses and establishment charges, for the surplus (if any) is placed to bank reserve or redistributed amongst customers. Consequently, the C.W.S. Bank is in a position to allow its customers a *higher* rate and charge them a *lower* one than ordinary joint-stock banks can do.

This fundamental difference between joint-stock and co-operative banking is no detriment to the latter, for—

- Its Assets and Liabilities.**
- (1) The C.W.S. Bank, as a department of the Wholesale, has the claim of a department upon the shareholders of the firm.
 - (2) The Bank Department creates a reserve fund, in addition to the reserve created by the firm.
 - (3) The bank's liability to depositors is covered by unquestionable assets, cash in other banks, withdrawable at call, British consols and corporation mortgages—sound A1 investments.

Moreover, the bank refuses to incur new liability by advancing money to societies, unless ample security is deposited. For instance, a borrowing society may deposit its title deeds with an equitable mortgage as security for an overdraft on current account, or the bank may require a legal mortgage of its property.

Co-operative officials should understand the legal relations

of banker to customer. The *absolute* property of money which societies deposit is ceded to the bank, which decides for itself how the money shall be used. There is a debtor and a creditor.

The Relation of Banker to Customer. The bank is the debtor under an implied agreement to pay its customer, the creditor, an *equivalent* sum on demand. The bank's liability extends no further than its customer, and, in dealing with the account, the bank is guided by and follows its customer's instructions. If a cheque has been lost, stolen, or mislaid, at once the true owner should appeal to the drawer, for only the drawer (the bank's customer) can authorise the bank to refuse payment.

If the bank pays a cheque upon which its customer's signature (as drawer) has been forged, the loss falls on the bank. But the bank is not responsible if the customer varies his signature without giving sufficient notice. Therefore every co-operator, who signs cheques for and on behalf of his society, should take care to write a *fac-simile* of the "specimen signature" at the bank.

Bank's Protection Against Forged Endorsement. A bank incurs no liability by paying a "bearer" cheque without endorsement, but an "order" cheque requires endorsing, and the bank must refuse payment of a cheque wrongly endorsed—that is, if the payee's endorsement differs from his name on the face of the cheque, or it loses the protection provided by sec. 60, the Bills of Exchange Act, 1882, which enacts that—

"A banker who, in good faith and in the ordinary course of business, has cashed a cheque on which the payee's endorsement or any subsequent endorsement is forged or unauthorised, is to be deemed to have cashed it in due course."

Co-operative officials should obtain satisfactory evidence that their cheques arrive at their respective destinations, for,

provided the bank has no notice of forgery, it incurs no liability by paying a cheque to "Jones," who has stolen it from the payee, "Smith," and forged "Smith's" endorsement.

The safest plan is to "cross" cheques before negotiating them. The effect of a "general" crossing (two parallel transverse lines on the face of the cheque, with or without the words "& Co.") is that the

Crossed Cheques. banker on whom the cheque is drawn must pay it to a *banker*; and if crossed "specially" (the name of a bank written across the face of the cheque, with or without the parallel lines or words "& Co."), to the banker named; and if, in good faith and without negligence, he so pays the cheque (but not otherwise), he incurs no liability and is deemed to have paid the true owner. [Secs. 79, 80, Bills of Exchange Act, 1882.] Consequently, the banker on whom a "crossed cheque" is drawn will not pay it over the counter, or any loss will be his, and the payee or endorsee must either pay it into another bank to be credited to an account or request another bank to collect the proceeds for him.

A "not negotiable" cheque (a "crossed cheque" with the words "not negotiable" added) is the safest one to draw,

"Not Negotiable" Cheques. but the most dangerous to accept as payment, especially from a stranger. A person who takes a "not negotiable" cheque "shall not have, and shall not be capable of giving a better title to it than that which the person from whom he took it had." [Sec. 81, Bills of Exchange Act, 1882.]

If the transferrer of the cheque had a good title, the transferree is safe; otherwise, though he pays the cheque into his account, and is allowed to draw against it, he may have to refund the money.

The paying bank incurs no liability if it pays a "not negotiable" cheque according to the "crossing"; neither does the other bank which has collected the cheque, provided it has acted in good faith and without negligence.

Therefore, a co-operative official should be wary about accepting a "not negotiable" cheque unless he has inquired into the title of the transerrer; he should refuse it altogether and demand payment in cash if there is any doubt about the validity of that title.

The co-operative manager cannot be too frequently reminded how intimate and confidential is the relation of his **Conclusion.** society to the bank. The bank is responsible to the society, whose commercial reputation is in its hands; and the society, through its officials, owes a duty in return, to deal straightforwardly with the bank, placing confidence in its managers and frankly intimating its financial difficulties to them immediately they arise, so that, with unimpaired strength, the bank may perform the grand function of nourishing co-operative industry and rendering its commerce active.

APPENDIX.

SECTION 5.

APPENDIX A 1.**CONTRACTS.**

The incidences underlying a contract for the purchase or sale of goods are somewhat intricate to give in detail, but there are certain main principles which might here be given, so that there may be no misunderstanding as to the buyers' position in regard to the law.

The Sale of Goods Act, 1893, section 4, enacts--

- “(1) A contract for the sale of any goods of the value of £10 or upwards shall not be enforceable by action unless the buyer shall accept part of the goods so sold, and actually receive the same, or give something in earnest to bind the contract, or in part payment, or unless some note or memorandum in writing of the contract be made and signed by the party to be charged or his agent in his behalf.
- “(2) The provisions of this section apply to every such contract, notwithstanding that the goods may be intended to be delivered at some future time, or may not at the time of such contract be actually made, procured, or provided, or fit or ready for delivery, or some act may be requisite for the making or completing thereof, or rendering the same fit for delivery
- ‘(3) There is an acceptance of goods within the meaning of this section when the buyer does any act in relation to the goods which recognises a pre-existing contract of sale, whether there be an acceptance in performance of the contract or not.”

All contracts for the sale of goods, the value whereof is £10 or upwards, must be in writing and duly signed. Note

that contracts or agreements relating to the sale of goods, merchandise, or wares are exempt from stamp duty.

According to the Statute of Limitations, the legal duration of, or liability for, a simple contract is six years, whilst that of a contract under seal is twenty years; the latter, of course, being subject to stamp duty.

APPENDIX A 2.

ABBREVIATIONS USED IN CONNECTION WITH THE MARKETS.

A/d	After date.
Ad. val.....	According to value.
B/E	Bill of exchange.
Bear	A "bear" is a speculator who sells stock he does not possess, anticipating a fall, so that when he has to pay for the merchandise he will be able to buy the same at a lower price and thus make a profit.
Bull	A "bull," on the other hand, is one who buys in expectation of a rise in price and sells, before the day of settlement arrives, making profit on the difference in values.
C. or C/s	Case or cases.
E.E.....	Errors excepted.
E. & O.E.	Errors and omissions excepted.
E.I.	East Indies.
Ex.....	Out of.
M.B.F.	May be left (without cash).
M/D	Months after date.
P/C	Price current.
Pro forma	Used in regard to invoices—for form's sake.
Pro	For (signatures).
Per pro	Legal power to act for another (signatures).
S/D	Sea damaged.
Sk. or Sks.	Sack or sacks.
S/N	Shipping note.
Sp. gr.	Specific gravity.
S.P.Q.R.	Small profit and quick returns.
S/S	Steamship.
Tcs.	Tierces.
W/N	Weight note.

WEIGHTS, &c.

Draft	A deduction made from the gross weight of goods, and subtracted before the tare is taken off.
-------------	---

Tare.....	Being the actual, estimated, averaged, or according to custom allowance made for the weight of box, casks, &c., in which goods are packed.
Tret	An allowance made for that which is lost by evaporation, waste, &c.
Nett weight	What remains after the tare is subtracted. If tret be allowed in addition, it is called <i>suttle</i> weight.
Ullage	A term denoting the quantity which a cask wants of being full.

QUANTITIES.

Bag of coffee, 140 to 168 lbs.; of rice (India), 168 lbs.; of sago, 112 lbs.; of sugar, 224 lbs.
Bale of feathers, 8 st.; of cotton, 450 lbs.; of bacon, 3 to 6 cwt.
Barrel of apples (American), 150 lbs.; of flour, 106 lbs.; of coffee, 112 to 168 lbs.; of fish, (Norway) 100 lbs.; of soft soap, 256 lbs.; of tar, 25 gals.; of turps, 224 to 280 lbs.; of pork, 224 lbs.
Box of fish, 90 lbs.
Firkin of butter, 56 lbs.; of soft soap, 64 lbs.
Peck of flour or salt, 14 lbs.
Sack of flour, 280 lbs.; of potatoes, 168 lbs.; of wheat, 354 lbs. (4 bushels).
Stone of meat, 8 lbs.
Truss of hay (new), 60 lbs.; (old), 56 lbs.; straw, 36 lbs.; 36 trusses one load.
Weigh of cheese, 256 lbs.

VALUE OF FOREIGN COINS IN BRITISH CURRENCY.

Country.	Standard.	Monetary Unit	British Value. £ s. d.
Argentina	Gold	Peso (100 cents)	0 4 0
Belgium	"	Franc (100 cents)	0 0 9 $\frac{1}{2}$
Brazil	"	Milreis	0 2 3
British Honduras ..	"	Dollar	0 4 2
Canada	"	Dollar	0 4 2
Denmark	"	Crown (100 öre)	0 1 1 $\frac{1}{2}$
Finland	"	Mark (100 penni)	0 0 9 $\frac{1}{2}$
France	"	Franc (100 cents)	0 0 9 $\frac{1}{2}$
German Empire	"	Mark (crown—10.)	0 1 0
Greece	"	Drachma (100 lepta)	0 0 9 $\frac{1}{2}$
India	"	Rupee	0 15 0
Italy	"	Lira (100 cents)	0 0 9 $\frac{1}{2}$
Mexico	Silver	Dollar	0 2 0
Java	Gold	Gulden (100 cents)	0 1 8
Norway	"	Crown (100 öre)	0 1 1 $\frac{1}{2}$
Portugal	"	Milreis	0 4 6
Russia	"	Rouble (100 kopecks)	0 2 1 $\frac{1}{2}$
Spain	"	Peseta (100 cents)	0 0 9 $\frac{1}{2}$
Turkey	"	Piastre (100—18s.)	0 0 2 $\frac{1}{2}$
United States	"	Dollar (100 cents)	0 4 2

The coins of silver-standard countries are valued by the market price of their pure silver contents.

**ENGLISH EQUIVALENTS FOR FOREIGN WEIGHTS
AND MEASURES.**

Countries.	Weights and Measures.	English Equivalents.
Austria	Metre.....	1'09 yard.
France	Kilometre	0'621 mile.
Germany	Kilogramme	2'204 lbs.
Greece	Quintal, Centner	220'4 lbs.
Holland	Hectolitre (liquid)	22 Imp. gall.
Hungary	" (cereals)	2'75 Imp. bush.
Italy .....	.....
Spain .....	.....
Sweden .....	.....
Switzerland .....	.....
Norway .....	.....
Portugal .....	.....
China	Tael (weight)	1'33 ozs.
"	Catty	1'33 lbs.
"	Picul	133½ lbs.
"	Ts'un	1'41 inches.
Denmark	Pund	1'102 lbs.
Egypt	Pic (textiles)	22'83 inches.
"	Oke	2'75 lbs.
"	Cantar	99 lbs.
"	Ardeb of wheat	324'6 lbs.
"	Ardeb of rice	418'3 lbs.
Russia	Pood	36 lbs.
"	Berkovets	360 lbs.
"	Tchetvett	5'77 Imp. bush.
"	Vedro	2'7 Imp. gall.
United States	Barrel of flour	196 lbs.
"	Short ton	2,000 lbs.
"	Long ton	2,240 lbs.

APPENDIX No. 1.

SOME ITEMS OF PRODUCE, WITH SOURCES OF SUPPLY.

PRODUCE.	SOURCES OF SUPPLY.
Almonds	Italy, Sicily, Spain, France, Malta, and the East.
Alum	Scotland and England.
Angelica	Northern Europe, France, British Honduras, and St. Helena.
Apples	England, France, Portugal, Australia, Armenia, and Canada.
Apricots	South of England, France, Italy, and California.
Arrowroot	British West Indies and the Bermudas.
Asbestos	Italy, Canada, and United States.
Bacon	England, Ireland, Denmark, Canada, and America.
Bananas	Jamaica and the Canary Islands.
Barley	Scotland, England, Southern Ports of Russia, America, Spain, Italy, Turkey, and Roumania.
Beans (Horse)	Britain, Africa, and Egypt.
Black Lead	Bavaria, Spain, America, Siberia, and Ceylon.
Black Pepper	East Indies, Sumatra, Java, and many other tropical countries.
Borax	California.
Butter	Ireland, Denmark, Canada, Australia, Argentina, and Siberia.
Canary Seed	Canary Islands, England, Holland, Germany, Spain, and Turkey.
Cherries	England and France.
Cinnamon	Ceylon, Sumatra, Borneo, Guinea, St. Vincent, Jamaica, Brazil, Mauritius, Pondicherry, Guadeloupe, and Java.
Cloves	Molucca Islands, Zanzibar, Penang, West Indies, and Africa.
Cochineal	Mexico, Canary Islands, Tenerife, Algeria, Honduras, and Guatemala.
Cocoa	Venezuela, Trinidad, Grenada, Ceylon, Guadeloupe, Cuba, The Philippines, East Indies, and Java.
Coffee	Brazil, Central America, West Indies, East Indies, Africa, Turkey, and Arabia.
Coriander Seed	England, France, Italy, and India.
Currants	Greece.
Dates	Arabia, Persia, Spain, Algiers, and Tunis.
Eggs	Ireland, Russia, Denmark, France, Italy, and Germany.
Eucalyptus	Australia, South Africa, and Algeria.

APPENDIX.

PRODUCE.	SOURCES OF SUPPLY.
Figs	Malaga, Valencia, India, Asia, Africa, Southern America, and all over Southern Europe.
Ginger	China, East Indies, East Africa, Mexico, and Jamaica.
Grapes.....	Spain and Portugal.
Green Peas	England, France, Holland, and Germany.
Green Teas	China, Ceylon, and India.
Haricot Beans	France, Germany, Italy, and Switzerland.
Hemp Seed	Asia, Europe, and Africa.
Isinglass	Russia, East India, and North and South America.
Lard	America.
Lemons	Sicily, Italy, Spain, and Portugal.
Lentils.....	Egypt and Arabia.
Linseed	India, Russia, Argentina, Holland, and Turkey.
Liquorice Juice	Italy and Sicily.
Mace	Banda, Sumatra, Java, Mauritius, Cayenne, Martinique, and West Indies.
Maize.....	Italy, Southern Europe, Asia, Africa, America, and Roumania.
Malaga Raisins	Spain.
Mangoes	East and West Indies.
Melons.....	Spain.
Muscateis	Spain and California
Nuts (Barcelona and Chestnuts)	Spain.
“ (Brazil)	Brazil.
“ (Castor Oil)	Africa and America.
“ (Walnuts)	France and Italy.
Nutmegs	Penang, Singapore, Islands of Banda, and in Africa, partic'larly in Zanzibar.
Ochres	England and Italy.
Onions.....	England, Egypt, Holland, France, Spain, Portugal, and Italy.
Oranges'.....	Jaffa, Malta, Florida, and Spain.
Peaches	Southern Europe, France, and California.
Pears	England, France, Belgium, the Channel Islands, and California.
Peas.....	England, Germany, Canada, and East Indies.
Pepper	Straits Settlements and French Indo-China.
Pineapples	Madeira, Canary, Singapore, and the Indies.
Plums	France and Germany.
Quinine	India, Ceylon, and Peru.
Rabbits	New Zealand and Australia.
Raisins (Sultana).....	Turkey.
“ (Valencia)	Spain.
Rape Seed	Russia, Roumania, Belgium, Germany, and France.
Rice	Italy, Java, Burmah, Japan, Bengal, Carolina, Patna, and Corea.
Sago	India, China, Borneo, Sumatra, Singapore, Molucca Islands, and New Guinea.
Saltpetre	France, Germany, and East Indies.
Semolina	Russia and Italy, besides home millers' productions.

PRODUCE.	SOURCES OF SUPPLY
Sheep (Living).....	Scotland, England, and the Continent.
.. (Frozen)	Australia and New Zealand.
Sugar.....	France, Austria, Germany, West Indies, India, Africa, and Cuba.
Sultanas	Turkey and Greece.
Tapioca	Brazil, Penang, and Singapore.
Teas.....	China, Japan, India, Ceylon, and I.va.
Tobacco	Cuba, Manilla, Virginia, and Columbia.
Tartaric Acid	England, Austria and France.
Tomatoes	Canary, Spain, Portugal, and France.
.. (Canned) ..	United States, France, and Italy.
Vanilla	Central America, Mexico, West Indies, Fiji Islands, and Africa.
Walnuts	France, Belgium, and Italy.
Wheat	United States, Canada, Chili, Argentina, Russia, Hungary, Egypt, Northern India, Roumania, Turkey, and Australia.
Yeast.....	Great Britain, Holland, France, and Germany.

APPENDIX No. 2.

ARRIVAL OF NEW SEASON'S GOODS ON THE MARKET.

Almonds	October.
American and Canadian Apples	November.
Australian Apples.....	March or April.
Currants.....	September.
Canary Seed.....	September or October.
Chestnuts	December.
Corn, Indian (Flat American)	December or January
.. (Round Russian and Argentine)	April.
Coffee (African)	January or February.
.. (Central American and Brazilian)	July.
.. (West Indian)	June to September.
.. (East Indian)	December.
Dates	September onwards.
Figs	September onwards.
Grapes (Denia)	July.
.. (Almeria)	August.
Hemp Seed.....	October or November.
Haricot Beans	October or November.
Lentils.....	February.
Lobsters	May.
Lemons (Malaga)	September.
.. (Messina and Palermo)	November.
.. (Naples)	March.

Melons	July.
Nuts (Barcelona)	October.
(Brazil)	May.
" (Walnuts)	October.
Oil (Olive)	December.
(Cod liver)	June.
Onions (Egyptian)	April.
(Lisbon)	May.
(Port)	July.
(Valencia)	July.
(Italian)	December.
Oranges (Jaffa)	October.
(Palermo and Messina)	October.
(Naples)	May.
(Florida)	September and October.
(Valencia)	November.
(Murcia)	July and August.
(Seville and Palermo Sours)	December and January.
Prunes	September onwards.
Preserved Fruits (Californian)	January, February, or March.
"	Overland route—October, November, and December.
Rice (Rangoon)	February or March.
(Patna)	March.
(Java)	August.
(Japan)	August.
Raisins	September onwards.
Salmon (Tinned)	January to February.
Sardines (French)	Overland route—October.
(Portuguese)	June.
Tea (China)	All the year round.
(Indian)	June onwards.
(Ceylon)	May onwards.
Tomatoes (Valencia)	All the year round.
(Canary)	June.
Wheat (Argentina)	December.
(Australian)	Harvest, December.
(American Winter)	Harvest, June.
(American Spring)	Harvest, September.
(Indian)	Harvest, February or March.
(Russian)	Harvest, September.

APPENDIX.

SECTION 6.

APPENDIX No. 2.

THE PRINCIPLE OF FERMENTATION.

The process of fermentation which has for its object either the manufacture of bread, or of an alcoholic product in a more or less concentrated form, is very similar in its action during the earlier stages. It commences with the growth and multiplication of the fermenting germs in the minute organisms floating in the air, the organic constituents of the water and the essence of life in the yeast. All the changes brought about are accompanied by heat. Fermentation is caused by the decomposition of the starch and gluten, of a solution of either potatoes, flour, or malted barley, which decomposition is accompanied by an evolution of gas. There is also a peculiar vibration given to the various bodies in contact, which agitates the whole. This is increased by the bursting of the starch cells, and the formation therefrom of sugar, and also by the changing of the sugar into carbonic acid gas. Substances in a state of decomposition are capable of bringing about a change in the chemical composition of bodies with which they are in contact. Most of the vegetable substances used in fermentation have a constituent part—sugar, starch, or some other substance which is easily converted into a fermentable sugar by the action of the yeast, or of diluted mineral acids, or by a constituent of malted barley called "diastase." The sugar produced by these agencies is resolved into carbonic acid gas and alcohol. By vinos fermentation it will be seen then that fermentation is started by the sacharine element in the ferment which is termed "maltose." The process is then kept up by the gluten which, becoming decomposed, aids the sugar and starch in the work of providing food for the yeast as soon as it is brought into contact with it. The fermentation then takes place very rapidly, and carbonic acid gas is given off in proportion to the amount of products contained in the ferment or sponge, and also to the strength and freshness of the yeast. Especially is this so with gluten, which is the great agent of fermentation when in a state of decomposition, and when in contact with yeast.

IS FLOUR IMPROVED OR DETERIORATED BY FERMENTATION?

The process of fermentation conduces to improve the quality of the flour for assimilation by the human system. The least digestible form of using cooked flour is by boiling, such as in plum puddings, &c. The easiest digested form is in the complete process of fermentation. What makes it more nutritious is the fact that in the process of fermentation the natural starch in the flour is converted into sugar. That can be ascertained by anyone tasting the flour after it has been scalded. The sugar can be seen floating on the top, and it will be quite sweet to the taste.

THE PROCESS OF FERMENTATION OF QUARTER SPONGE.

Barm.—Mash malt at 170 degrees, steep for four hours, press off the liquor, make into a stiff batter with strong flour, scald by degrees with boiling water, stirring all the while, until the mixture is about half the thickness, which consistency should be about twice

the thickness of buttermilk. Set this barm away in store, and take the temperature next day. Mix with barm which has been wrought, but do not use the sponge at a temperature of more than 90 degrees in the winter and 80 in the summer, and set aside for at least two days. When in good condition the barm should rise to the top of the tub and fall again till it is about its natural level without any great "top" on it. It should then have a sweet, sugary, and agreeable taste, not unlike cider. For one bag of flour, take four pints of water, varying from 60 degrees in the summer to 110 degrees in the winter, according to the temperature of the atmosphere; two pints of barm, and $\frac{1}{2}$ lb. of salt. Add 7lbs. of flour to this mixture, put into a quarter tub, and allow it to remain overnight. This rises in the tub during the night and falls again. In the morning if the surface of the dough is quite flat the dough will be ready for baking. If there is strong flour in the mixture, probably the centre will be higher than the sides, and all round the circumference there will be a drop of an inch compared with the centre of the dough, making the top of the dough convex in shape. Empty the sponge into a large tub, and add twenty-two pints of water, with $2\frac{1}{2}$ lbs. of salt. If there is machinery in the bakehouse, put this tub under the stirrer and stir, adding flour till it is sufficiently thick. Let this mixture stand for an hour or one-and-a-half hours. The fermentation will cause it to rise in the tub considerably, and then it will fall. After it has fallen to its normal level, put it into the dough-mixing machine, or if there is no machinery, into a trough, and dough up, adding $2\frac{1}{2}$ lbs. of salt, making 5lbs. to the sack. Rinse out the sponge tub with water, at a temperature to suit atmospheric conditions as before, and empty into the mixture. Dough up with Hungarian or Winter Wheat flour, until the dough is well wrought and tough, about the consistency of putty but much more springy. Allow it to lie from an hour to one-and-a-half hours, then put on the doughing-table, cut it up into pieces of $2\frac{1}{2}$ lbs. 3 ozs. or thereby, half-mould, and set it into drawers to "prove." After this has all been done, begin with the first lot and mould properly, putting into drawers ready for running into the ovens. After allowing fifteen minutes for the loaves to recover from the handling, they are ready for putting into the ovens. The temperature of the ovens should be 400 degrees or thereby, and the time for firing should be about two hours.

HALF-SPONGE.

The basis of half-sponge mixture is the same as quarter sponge, but instead of four pints of water for the quarter sponge take ten pints of water in the half-sponge, with three pints of barm, and 1lb. of salt. Add seventeen pints of water next morning, with 4lbs. of salt. Dough up right off into a drum or trough with the same flour, give it $1\frac{1}{2}$ hours to rest, then it is ready for weighing off and finishing in the same way as the quarter-sponge.

APPENDIX No. 3**DRFSSMAKERS' MEASURE BOOK.****1.**

Date.....	.....	Society.....
Name Address .....	.....	DRESSMAKING DEPARTMENT.
Share Ledger No..... Branch.....	.....	Date.....
Price of Material..... \$ [—] ade.....	.....	Name
Class of Garment .....	.....	Price of Material
Waist..... Bust .....	.....	Fit on at ...o'clock.
Front..... Back .....	.....	Finish
Sleeve	Neck	Should unforeseen circumstances occur to necessitate an alteration of above date for Fit on or Finish, you will be duly notified by postcard
Skirt .....	.....
Fit on	at.....o'clock.	
Finish .....	.....
How Paid .....	.....
Remarks .....	.....

APPENDIX No. 4.**DRESSMAKERS' WORKSLIP.**

Name and Address of Customer.....	.....
Number of Measure .....	.....
Date and Hour of Fit on.....	.....
Number of Yards of Dress Material .....	.....
Rate and Value.....	.....
Trimmings or Furnishings .....	.....
Time taken in Cutting and Fitting .....	.....
Time taken by Workers .....	.....
Wages of Cutting Room on Job.....	.....
Wages of Workroom on Job .....	.....
Amount Charged for Wages .....	.....

APPENDIX No. 5.

Add to total cost, weekly, estimated expenses for Rent, Gas &c,
not included in other items.

APPENDIX No. 6.

..... Society.

TAILORING DEPARTMENT.

Ledger No.

Name

Address

* Garment

* Measure

Fit on

* Finish

Edges

Pockets

Made by

Wages on Job

Price charged Customer

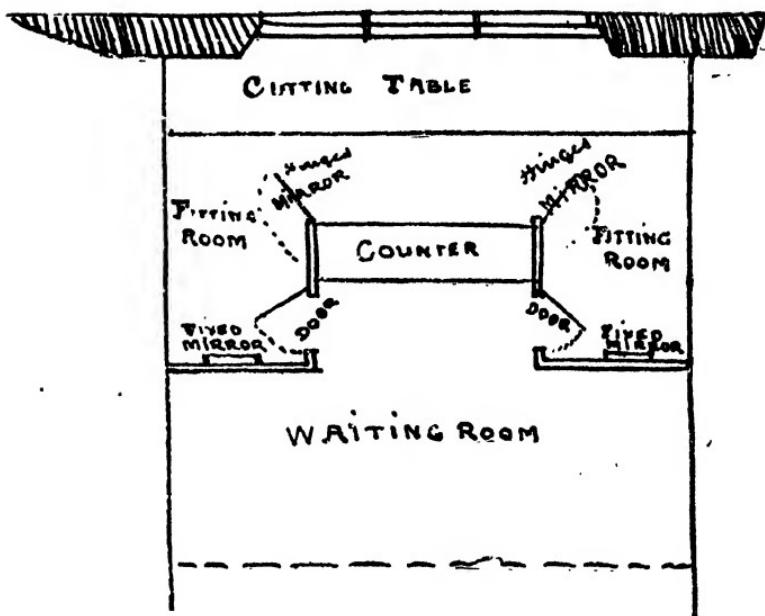
[PERFORATE HERE.]

Name

Address

Ledger No.

Wages on Job

APPENDIX No. 7.**PLAN OF CUTTING, FITTING, AND
WAITING ROOMS.**

APPENDIX No. 8.

..... Society.
 Name
 Address
 Share No. Date Sent
 Finished Charge

Name	Address	Share No.	Description of Boot	Repairs Wanted	Executed by.....	BENCHER.	Finisher.	Date Received.....	Finished	Material.....	Wages.....	Charge
------------	---------------	----------------	---------------------------	----------------------	------------------	----------	-----------	--------------------	----------------	---------------	------------	--------------

..... Society.
 Received Pairs

For Repairs, from

On

Signature

APPENDIX No. 9.

Weekly estimated amount for Rent, Light, Coal, and Management Expenses should be entered in one sum at end of week in column headed Total Cost.

APPENDIX No. 10.



A specimen of *Hairia* from the Eocene.
Also showing how it is reduced to obtain the results.

APPENDIX No. 11.

BOOT REPAIRING DEPARTMENT.

STATEMENT OF WAGES.

GROUND WORK.

	MEN'S. Per pair.	WOMEN'S. Per pair.	BOYS (2's to 5's). Per pair.
Soling and Heeling	7d.	5½d.	5½d.
Heeling	2d.	2d.	2d.

Nurseries, 7's to 10's, & 11's to 1's, Soling & Heeling, 4½d. per pair
 " " " Heeling 2d. "
 Toe Pieces or Side Pieces 2d. per pair.

PUT-UP WORK.

	MEN'S. Per pair.	WOMEN'S. Per pair.	BOYS (2's to 5's). Per pair.
Soling and Heeling, Channels Relaid, and Riveted across Waists	8d.	6d.	6d.
Soling and Heeling, Channelled for Machine, Riveted across Waists, Channels Relaid	9d.	7d.	7d.
Soling and Heeling, New Welts put in, Channelled for Machine, Riveted across Waists, Channels Relaid.....	1s. 9d.	1s. 5d.	1s. 5d.

Nurseries and Girls, Soling and Heeling, Channels Relaid, and
Riveted across Waists, 4½d. per pair.

Nailing, Men's and Boys	1d. per pair.
Toe Caps, when Soled.....	2d. "
" not Soled.....	3d. "
Other Caps, when Soled	1d. each.
" not Soled.....	1d. "

All Work and Extras, when not in this Statement, to be paid
according to value.

BIBLIOGRAPHY.

Students are advised to read and consult the following works in conjunction with the Text Book in the various sections :—

SECTION 1.—The Model Rules of the Co-operative Union Limited.

Industrial Co-operation.

Schedule 2. Industrial Provident Societies Act.

SECTION 2.—The Practical Grocer.

The Business Encyclopædia.

Pitman's Business Man's Guide.

Co-operative Book-keeping.

SECTION 3.—The Business Blue Book.

Congress Paper. Mr. T. Wood.

SECTION 4.—Money, Exchange and Banking.

SECTION 5.—Law's Grocers' Manual.

The World's Commercial Products.

Board of Trade Returns of Imports.

SECTION 6.—The Text of the Acts where possible.

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